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NEWS SUMMARY

GENERAL

Egypt Israel treaty ratified

Israeli and Palestinian gunners exchanged fire across the *Lebanese border while Israel* and Egypt ratified the peace agreement between the two countries and Mr. Ezer Weizman, *Defence Minister*, flew to Cairo to discuss the Israeli withdrawal from Sinai.

For the third consecutive day, Israeli forces pounded Palestinian positions near Tyre, southern Lebanon, in the heaviest bombardment for a year. Back and Page 2

Iran police control move

Iran's police chief said the revolutionary committees, which have been carrying out executions of the Shahs' supporters, would be brought under the aegis of local police stations.

The move is seen as a significant step towards restoring the Government's control over internal security.

Troops halted

More than 1,000 heavily armed pro-Amin soldiers were turned back when they tried to cross the Ugandan border into Kenya and some of them were killed by landmines as they returned. *Tanzania after the Amin war*, Page 6

Times in type

The Times European weekly edition has been set in type in West Germany and delivered to the printers, but I.G. Druck, the West German print union, is trying to prevent the appearance of a second edition. Page 20

Ronan Point case

High Court action opened against Taylor Woodrow Anglian, the company which built the Ronan Point tower block in east London which collapsed 11 years ago with the *loss of four lives. The company* has denied liability. Page 9

New York strikes

New York was hit by a wave of strikes, involving more than 30,000 workers and affecting apartment building services, rubbish removal, milk deliveries and prison security. Page 4

Misha reunited

Leningrad schoolboy Misha Voikhansky arrived at Heathrow Airport after meeting his mother, a Russian dissident, for the first time in four years, in Vienna.

Wedding wishes

A Dartmoor prisoner, serving eight years after being arrested in the massive drugs raid, Opertion Julie, sent his best wishes to Julie Taylor the former policewoman after whom the raid was named, on her wedding day.

Briefly . . .

Suitcase bomb in a Salisbury, Rhodesia, supermarket killed one man and injured two others. Page 6

UN Secretary-General Kurt Waldheim, pledged further aid *to Malaysia to help it deal with* the flood of Vietnamese refugees.

Two Royal Ulster Constabulary detectives were cleared of assaulting a terrorist suspect more than two years ago.

Johan Cruyff, former Dutch soccer international, is set to sign a one-year contract worth $1m with the New York Cosmos.

Plan to hold a cut-price Olympic Games in Britain in 1988 were launched by the *Minister of Sport. Page 12*

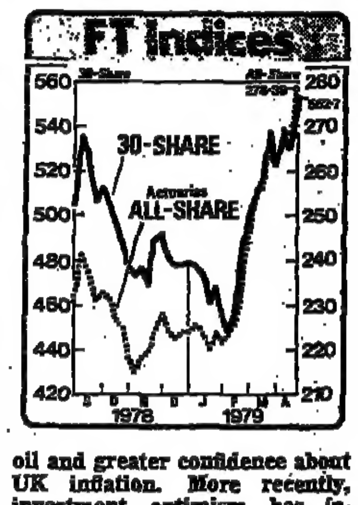
Raoul Yreven, former Belgian Minister and wartime resistance leader, died aged 78.

BUSINESS

30-share at new peak of 552.7

● THE FT INDUSTRIAL ordinary share index rose above its all-time closing peak with a fresh gain of 5.7 to 552.7. The previous figure of 549.2, reached in September, 1977, has only been surpassed at calculations *taken during the day following* the Government's censure *motion defeat at the end of* last month.

The 30-share index is following the trend set by the broad-based FT-Actuaries indices, *which have been rising steadily* since market sentiment changed early in March, on hopes of benefits to accrue from N. Sea



oil and greater confidence about UK inflation. More recently, investment optimism has increased on the assumption that a Conservative administration would abolish dividend controls.

● GILTS were affected by the *setback to sterling, but falls* were either reduced or recouped by the close. The Government Securities index fell 0.19 to 74.85.

● STERLING fell 2.6 cents to $2.0415 and its trade-weighted index fell to 66.1 (66.9). The dollar's was unchanged at 85.9.

● GOLD rose $1¼ to $242¾ in London.

● WALL STREET was 0.86 up at 867.72 *just before the close.*

● BRITISH GAS Corporation has awarded feasibility study contracts *for the Morecambe gas* field in the UK sector of the Irish Sea. Development of the Morecambe field is expected to start next year. Back Page

● NATIONAL FREIGHT Corporation is to ask the Price Commission for permission to impose a fuel surcharge on its customers. The state road transport group, *which reported* record trading profits of £10.6m in 1978—and its first net profit in five years—said that fuel price increases already in the pipeline would cost an extra £2.5m this year. Back and Page 12

● MERRETT DIXEY Syndicates, the Lloyd's agent which *took over management of* the Sasse underwriting syndicate is to give up managing the syndicate. Page 9

● BL management and unions have reached agreement on a formula to resolve pay parity problems which will be recommended to the workforce. Page 20

● FRANCE'S inflation rate remained steady at 10.1 per cent in March. Retail prices rose *0.9 per cent last month* against 0.7 per cent in February.

COMPANIES

● SPILLERS, which ceased breadmaking last year, reports *pretax profits* up 74 per cent from £8.49m to £14.73m in the 53 weeks to February this year. Page 26 and Lex

● UNILEVER increased its capital spending from £314m to £340m last year and should increase it by *10 to 15 per cent* this year. The group lost about £10m in profits during the lorry drivers' strike. Page 26 and Lex

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES		
Averys	260	+ 8
BPB	336	+ 12
BTR	495	+ 19
Brown and Jackson	600	+ 50
Foseco Minsep	185	+ 10
Francis Parker	26	+ 4
Gibbons Dudley	89	+ 7
Grampian A	46	+ 6
Guinness (A.)	212	+ 5
Harrison (T. C.)	*147*	+ 15
Home Charm	373	+ 21
Horizon Midlands	254	+ 11
Lloyds Bank	345	+ 15
London & European	37	+ 5
Lookers	68	+ 5
Magnet Southerns	190	+ 12
Matthews Wrightson	215	+ 10
Menzies (J.)	233	+ 13
Mowlem (J.)	138	+ 8
NatWest	385	+ 13
News Intnl.	378	+ 10
Prince Wales Hotels	117	+ 12
Saga Holidays	191	+ 12
Sound Diffusion	118	+ 6
Spillers	47½	+ 3½
Stanley (A. G.)	232	+ 11
Sunley (B.)	350	+ 13
Unigate	93	+ 5
Utd. Biscuits	90	+ 5
Bertam	177	+ 15
Jitra	68	+ 15
Cons. Gold Fields	252	+ 8
Impala Plat.	192	+ 6
Kloof	605	+ 31
Messina	108	+ 8
RTZ	344	+ 10
Selection Trust	566	+ 20
Wankie Colliery	44	+ 4
FALLS		
Treas. 12pc '83 A	£102⅝	− ⅛
Sheffield Brick	66	− 10

Callaghan attacks Tories over union co-operation

BY RICHARD EVANS, LOBBY EDITOR

The Prime Minister placed maximum emphasis last night on Labour's plans for voluntary co-operation with the trade unions, and attacked Mrs. Margaret Thatcher for labelling trade unionists as extremists.

Mr. Callaghan, speaking at a rally in Redditch, contended that industrial relations was one of the key issues on which the nation faced a clear choice next Thursday, and warned strongly against dangers that he said *Tory legislation would bring.*

Some Labour campaign managers believe that the trade unions and their relations with Government could be the decisive isue of the election, and were intensely relieved when Mrs. Thatcher returned to the subject yesterday with an attack on some union leaders.

Opinion polls suggest that the gap between the two parties is narrowing, although the Conservatives remain in the lead. Labour's tactics are now to attack hard on three fronts, the trade unions, prices and tax cuts.

Mr. Callaghan concentrated on the trade union issue, following criticism by Mrs. Thatcher of recent hostile statements from Mr. Moss Evans, general secretary of the Transport and General Workers' Union, and Mr. Mick McGahey, the Communist leader of the Scottish miners, who claimed that industry would become a "bloody battleground" under a Conservative Government.

The Tory Leader, interviewed on the Jimmy Young programme on BBC Radio, challenged *union leaders to state* whether they would deny the right of the British people to elect the Government of their choice. *If so, she said*, it would be the end of democracy in Britain.

Although *some of her advisers* are nervous of the issue, Mrs. Thatcher believes there is so much anti-union feeling following the winter unrest that the electorate, including many trade unionists, are ready for legal reforms provided these are not seen as union-bashing.

Mr. David Basnett, general secretary of the General and Municipal Workers Union, said last night that a Tory Government could "bring the country down" if it pursued the union policies pressed by Mrs. Thatcher.

But when pressed in an ITV interview, he admitted that the unions might be obliged to co-operate.

Mr. Basnett said: "To say we *would not work with an elected* Government is totally wrong. I have never said anything of the sort."

It would not do for the unions to thwart an elected Government, but he believed problems would arise because the Tories would not co-operate with the unions.

The Prime Minister's theme was that *if a Conservative* Government brought in new laws on trade unions industrial relations would inevitably worsen.

"I am a firm believer that voluntary co-operation in indus-

Continued on Back Page

Election news Pages 10 and 11 ● Housing policies compared and editorial comment Page 24 ● Economic Viewpoint Page 25

Independent police board to report on Southall riots

BY PAUL TAYLOR

THERE IS to be no public inquiry into Monday's anti-National Front riots at Southall, West London, in which a demonstrator died.

The independent Police Complaints Board, however, is to examine allegations about police behaviour during the riots. Mr. Merlyn Rees, the Home Secretary, said yesterday that its report should be made public.

The *Home* Secretary announced his decision after meeting Sir David McNee, the Metropolitan Police Commissioner. It came as police prepared for the possibility of further disturbances at National Front meetings in London, including East Ham, where the National Front was last night holding an election meeting in *Newham Town Hall, 500 yards* away from an Anti-Nazi League counter-meeting, and elsewhere in the country.

In addition to the investigation by the Board—the body set up under the Police Act, 1976, and chaired by Lord Plowden—two further investigations are under way.

Commander John Cass, head of Scotland Yard's Complaints *Investigation Bureau, has begun* collecting evidence on the death of Mr. Blair Peach, the 33-year-old teacher and Anti-Nazi League supporter who died in the riot.

Another senior police officer, Chief Inspector James Linnett, is to investigate other specific complaints against the police. Any which involve allegations of criminal offences *will* be referred to the Director of Public Prosecutions.

Mr. Rees accepted that the investigation by the Police Complaints Board did not represent a full public inquiry, *but if there was to be a com*plaints procedure, "we need to follow it throught."

The Board will review all complaints—except those referred to the DPP—with any action taken as a result. So far three formal complaints have been lodged with the police, but no officers have been suspended.

Under Section Eight of the Act the Board has the power, *if it sees fit, to submit a report* to the Home Secretary. Mr. Rees said that he hoped the Board's inquiries would be completed in time for there to be a report to the Home Secretary when Parliament assembles after the election.

There was no requirement to make such a report public. But it was a matter of public concern and therefore "*I think this* ought to happen," Mr. Rees said. "The Home Secretary will also eventually receive a full report from Sir David McNee.

Police were stationed outside Newham Town Hall in East *London all day yesterday and* began building up a large police presence in the afternoon—more than an hour before the *first demonstrators were due to* arrive.

Continued on Back Page

Mexico bid to cut debt cost

BY JOHN EVANS IN LONDON AND WILLIAM CHISLET IN MEXICO CITY

MEXICO IE negotiating the restructuring of a large part of its international commercial *debt. Discussions with* international banks involve transactions totalling well over $3bn (about £1.5bn).

The main aim is to reduce significantly the cost of the country's foreign debt and to consolidate much of its short-term borrowings from overseas.

Mexico, which raised a $1.2bn credit in the Eurocurrency mar*kets late in 1977*, has decided to repay the loan well ahead of schedule.

Formal notice of prepayment *of $250m has just been given* to the participating banks in the U.S., Europe and elsewhere.

The loan was contracted when Mexico was recovering from its economic crisis of 1976. Reflecting this, the seven-year facility carried a relatively high margin of 1¾ per cent points over Eurodollar interbank rates. This represents an effective interest rate of about *13 per cent, based* on prevailing Eurocurrency interest levels.

The other legacy of the 1976 *crisis was rapid build-up in* short-term debt. Major banks, including Britain's Lloyds Bank International, are discussing a very large short-term revolving facility, of some $1.5bn, to be raised shortly in the Euromarkets.

This should allow Mexico to consolidate and rationalise much of its shorter-term debt. *It has been estimated at some* 10 to 12 per cent of the total public-sector foreign debt of about $26bn.

Another transaction, totalling $660m, is being arranged for the state copper combine, Mexicana del Cobre. The main part of this credit, composed of a $500m 10-year facility, will represent a refinancing on more favourable terms of two earlier loans.

Bank of America International, Manufacturers Hanover and Bank of Montreal are centrally involved in the transaction.

Although it is one of Latin *America's most indebted* nations, Mexico in the past two years has rapidly improved its standing in the international *capital markets. It is command*ing finer interest costs and longer maturity dates on its loans.

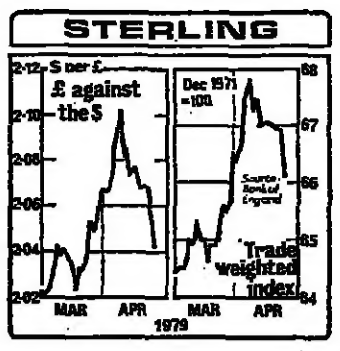
The transformation owes much to Mexico's emerging role as an oil producer. Oil exports are officially predicted to rise by 102 per cent this year after a 77 per cent increase in 1978.

Mexico's ability to rationalise and rearrange its extensive foreign debt has implications far beyond the international capital markets.

Bankers suggest, for instance, that such a restructuring gives Mexico added flexibility in deciding its future oil marketing and exporting strategies, particularly when relations with its U.S. neighbour on energy supplies are strained.

CONTENTS

For latest Share Index phone 01-246 8026



Election doubts hit pound

BY DAVID FREUD

STERLING fell sharply yesterday against all other major currencies.

Foreign exchange dealers said the fall was mainly in reaction to the latest opinion polls suggesting a narrowing in the Conservatives lead in the election campaign.

The trade-weighted index, measuring the value of sterling against a basket of other currencies, dropped by 0.8 to 66.1. This was more than 2½ per cent below the three-year high of 68.0 touched earlier in the month.

The pound fell more than 2½ cents against the dollar, from $2.0630 to $2.0415. This was 2.9 per cent below the level of the month's high point on April 10, when sterling rose above $2.10.

There had been some late selling of sterling in New York on Tuesday, and the London market picked up the trend in the morning. The Bank of England is thought to have stepped in around noon to steady the *rate, although its intervention* does not seem to have been large.

The Bank may view yesterday's fall—following a steady decline over the last two weeks—with some relief.

The pound is now back at the trade-weighted index level at which the link with the Irish punt was broken at the end of *last month to enable the Irish* currency to remain within the European Monetary System.

Against the West German mark the pound fell from DM 3.92½ to DM 3.86¾, nearly 4 per cent below the high point *of DM 4.02 touched on April 10.*

Apart from sterling there was little movement in the major currencies. The dollar's trade-weighted index was unchanged at 85.9.

Money markets Page 33

£ in New York

—	April 24	Previous
Spot	$2.0630-0640	$2.0700-0710
1 month	0.30-0.25 dis	0.25-0.18 dis
3 months	0.80-0.75 dis	0.80-0.75 dis
12 months	2.25-2.15 dis	2.10-1.95 dis

Warning on arms treaty by Carter

BY DAVID BUCHAN IN WASHINGTON

PRESIDENT JIMMY CARTER yesterday warned that the U.S. Senate's rejection of the planned SALT 2 nuclear arms treaty would lead to a sharp rise in U.S. defence spending, strengthen the hand of hard-liners in the Kremlin, and force the world "to conclude America had chosen confrontation rather than co-operation and peace."

Seeking to lift the growing *debate out of the detail into* which sceptics and critics of a new arms treaty have plunged it, he told newspaper publishers in New York that the U.S. faced a fundamental choice "between an imperfect world with SALT 2 and an imperfect, and more dangerous, world without it."

Mr. Carter clearly intends to *devote all his energies to ensur*ing the passage of the treaty, with U.S. and Soviet officials meeting here again yesterday to *negotiate the final details.*

The President's appointment of Mr. Robert Strauss to take over his Middle East responsibilities underlines this, and Mr. Carter's appearance later yesterday in New Hampshire, which will hold *the first of the* 1980 primary elections, underscores that SALT will be a prime issue in next year's *Presidential Election.*

Mr. Carter, while painting the broad arguments in favour of SALT 2, nonetheless dealt in some detail with the acutely sensitive issue of whether the U.S. could detect any Soviet cheating under the treaty provisions in time to protect its own security.

The loss of American intelligence stations in Iran this year had created doubts about the U.S. ability to track Russian missile tests.

"The stakes are too high to rely on trust—or even on the Soviets' rational inclination to *act in their own best interest*," he said "The treaty must—and will—be verifiable from the day it is signed."

Mr. Harold Brown, the Defence Secretary, had earlier conceded that it might take U.S. intelligence a year to make good the loss of the Iranian stations, though this would not affect its capacity to see that the Soviet Union stuck to the major provisions of the SALT treaty, which sets ceilings on all major missile categories and limits *development of new types.*

Verification of the treaty is an issue which the opponents of SALT 2, both inside and outside Congress, have made much play of in recent weeks.

Nonetheless, some diehard critics argue it as essentially irrelevant because the planned treaty is so much to the Soviet advantage that the Russians *will have little need or incen*tive to cheat on its provisions.

Mr. Carter answered these charges indirectly, saying that the treaty would achieve "significant reductions in Soviet strategic forces." The Soviets are expected to scrap between 200 and 300 missiles.

The U.S. meanwhile, he said, would be able to continue its *Trident submarine programme*, the development of Cruise missiles, and a programme to make its land-based strategic missiles on mobile launchers and thus less vulnerable to any Russian attack.

There was no question about the U.S. commitment to a strong defence; nor its continuing to "compete effectively" with the *Soviet Union.*

Delays in wrapping up a SALT treaty mean that the planned summit between Mr. Carter and President Leonid Brezhnev of the Soviet Union now seems likely to take place in late May or early June, and perhaps outside the U.S. in deference to the Russian leader's reported inability to *travel long distances*

Editorial comment Page 24

NATO faces struggle

BY REGINALD DALE

NATO GOVERNMENTS are now aware that they face a tough struggle to rally support for the nuclear firepower of Western Europe.

The main task will be to convince the European public of the need for new, longer range nuclear missiles capable of reaching the Soviet Union before Ministers take final decisions at the end of the year.

Mr. Harold Brown, the U.S. Defence Secretary, said he expected Russia to launch a major propaganda campaign against the Western plans, on the same lines as the earlier Soviet attack on the neutron bomb.

As the two-day meeting of NATO's nuclear planning group ended in Florida the Ministers said they had "discussed with continuing concern Soviet modernisation of theatre nuclear force systems which is being undertaken on a scale well in excess of defensive requirements and unprovoked by any NATO developments."

Details Page 2

EUROPEAN NEWS

FORD'S ASSEMBLY PLANT DECISION

France relies on national car-makers to create jobs

BY TERRY DODSWORTH IN PARIS

RENAULT AND PSA Peugeot-Citroen, the two French car companies, will, in principle, be eligible for grants from the state financed special industrial adaptation fund for their proposed new investment projects in Lorraine.

This was the main response from the French Government yesterday to the Ford decision to drop its plans for a large new "green-field" assembly site in Europe. After courting Ford for several months as a potential answer to the acute unemployment problems of Lorraine, the French are now clearly moving towards a domestic solution.

It now seems as though the authorities had virtually given up hope of attracting Ford when they received proposals put forward by the French motor companies a week ago. Ford had delayed its decision for so long, playing off different governments against each other to such a degree, that the French authorities were only too happy to talk business.

This point was obliquely made by M. Valery Giscard d'Estaing, the French President, when he said in a recent television interview that the Government would be anxious to support the solution in Lorraine which helped French industry.

The unions also appear to be happier with plans of the local companies than with Ford's. This is partly for nationalistic reasons but partly because they have questioned the need for such a large-scale expansion of the European industry as the one proposed by the U.S. group.

The French plans have run into criticism on similar grounds. But they are different from Ford's in that the new factories created by the four different investment projects would all manufacture components.

There is more genuine support for this kind of expansion since component factories would demand higher-grade skills and spread the new jobs created over a wider area.

Two other issues have been raised by the Ford decision. First, will the French companies be so eager to press ahead with their expansion now that Ford has dropped out, and will the Government give them treatment similar to that it was proposing for the U.S. company?

Second, will the French continue to pursue the possibility of attracting an investment from General Motors, the Opel and Vauxhall manufacturer, in an assembly factory for a new mini-type car?

Algeria wins Swiss bank battle

BY BRIJ KHINDARIA IN GENEVA

ALGERIA HAS been granted majority ownership of the Swiss-based Arab Commercial Bank in a controversial decision announced by the Swiss Federal Banking Commission in Berne this week.

Algeria also claimed ownership of SFr 40m (£11.2m) placed in the bank by Mr. Mohammed Khider, the former treasurer of Algeria's National Liberation Frant (NLF) which fought the war of independence against France.

Very little of the original sum is thought to remain in the bank, partly because Mr. Khider is reported to have given large amounts to opponents of a former colleague, ex-President Ben Bella.

About SFr 10m was used by Mr. Khider to acquire two-thirds ownership of the bank. These shares are now alleged to be almost worthless. The Swiss Banking Commission has also frozen some of the bank's operations because of its poor financial health.

Mr. Khiderw as assassinated in Madrid in the late 1960s by unidentified assailants, and Mr. Ben Bella was kidnapped and is now thought to be in captivity in Algeria.

The Algerian Government tried in vain for almost a decade to recover the money from the bank on the ground that it was the legitimate successor to the National Liberation Front.

In 1974 Algeria discovered that Mr. Khider was a majority owner of the bank and tried to persuade the Swiss Banking Commission to transfer ownership to the Algerian Government.

NATO plans to raise firepower

BY REGINALD DALE IN HOMESTEAD AIR FORCE BASE, FLORIDA

NATO GOVERNMENTS are now fully aware that they face a struggle to rally support for plans to strengthen the alliance's nuclear firepower in Western Europe.

The major task will be to convince European public opinion of the need for new, longer-range nuclear missiles capable of reaching the Soviet Union. This must be done before Ministers take final decisions at the end of the year.

As Defence Ministers from NATO's nuclear planning group ended a two-day meeting here, the hope was expressed that as many countries as possible would participate in the programme to modernise NATO's so-called Theatre Nuclear Forces in Western Europe. Governments could contribute both by cost-sharing and allowing new missiles to be based on their territory. It will help, it is thought, if the decision is taken jointly by the whole alliance.

Britain will be expected to agree to continue its policy of acting as a base for nuclear weapons, both British and American. Range limitations will probably rule out the UK

French docks face shutdown today

By David White in Paris

FRANCE'S docks will be paralysed today, for the second time this week, after Tuesday's retaliatory lock-out by employers.

The labour climate in the docks has deteriorated sharply, with stoppages at regular intervals since the end of of last year, in pursuit of better pay and more free time.

Professional organisations in Marseilles and other main ports banded together on Tuesday in protest at the mounting cost of stoppages, and refused to take on dockers when they turned up for work.

The Communist-led CGT union, which calls the tune among France's 15,000 dockers, immediately announced its "counter-retaliation" plan for a 24-hour strike today in all the country's ports.

The dockers are claiming an extra half day's free time each month and a 19 per cent increase in the basic rate they receive for days when there is no work. At present this is FFr 84.80 (£9.40).

The CGT and the other two main left-wing unions, the CFDT and FEN, the teachers' organisation, are joining forces for a May 1 demonstration in pursuit of wage increases especially for the lowest-paid, better working conditions, and a 35-hour week

Sporting body refuses to ban Springbok tour

By Our Paris Staff

FRANCE'S top sporting body has told the Government that if it wants to ban a planned tour by South Africa's Springbok rugby union side this year it will have to do it itself.

The National Olympic and Sporting Committee, after meeting on Tuesday to discuss the tour, firmly refused to bow to political considerations. This was in defiance of an injunction by the International Olympic Committee (IOC) and strong hints by the Foreign and Sports Ministries that it should call the visit off.

The Springbok side, due to arrive in October, will include non-white players.

DIRECT ELECTIONS DISCORD SABOTAGES TV COVERAGE

Europe out for the count

BY MARGARET VAN HATTEM IN BRUSSELS

AMBITIOUS PLANS by EEC television networks to present the June direct elections to the European Parliament as a Community event are being sabotaged by the apparent determination of some member governments to act as if there were nine separate elections.

Unable to agree on a single polling day throughout the Community, these governments are now resisting efforts to synchronise the counting of votes, creating insurmountable difficulties for television.

With the UK, Denmark, Ireland and the Netherlands voting on Thursday, June 7, and Germany, France, Italy, Belgium and Luxembourg voting the following Sunday, television stations had planned a Community-wide hook-up for the vote counting and announcement of results on the Sunday night.

But, because of a ruling by the Council of Ministers last month, counting cannot start until the last polling stations close—in Italy and Germany at 21.00 local time.

This will probably prevent the Dutch, who for religious reasons refuse to count votes on Sunday, from starting the count before office hours on Monday morning. The Dutch had planned to count votes on Thursday and withhold the results until Sunday night, but were overruled in Council and ordered to change their voting law accordingly.

The Irish, whose system of proportional representation makes vote-counting a two-day process, will not be able to announce their result before Tuesday night.

Britain, the only member employing paid officials rather than volunteers to count votes, has also opted to start counting on Monday. The extra cost of paying local government officials triple rates for working overtime on Sunday rather than Monday would run into millions of pounds. And the Home Office, which might have contributed towards this if all other countries were counting on Sunday night, is now refusing to do so.

According to some members of the European Parliament, holding its penultimate session in Strasbourg this week the real villains are the French Gaullists. They have threatened to challenge the validity of the whole election if counting starts early and are generally seen as the motivating force behind the Council ruling on the counting of votes.

Several Dutch MPs are particularly incensed by what they see as an attempt by the French Government to delay the Dutch results for purely domestic political reasons, and are hoping to block the legal changes necessary to postpone the counting of votes in the Netherlands.

But this is of little comfort to the small band of television journalists, politicians and confirmed Europeans who had hoped that the elections might stimulate public interest and give the European Parliament a little more credibility han it currently enjoys.

Parliament settles EEC budget row

THE EUROPEAN Parliament yesterday ended its battle with the Council of Ministers over the size of the 1979 budget by formally approving the EEC draft supplementary budget proposed for 1979.

But it insisted on one amendment, designed to retain a measure of parliamentary control over the allocation of 200m (£128m) units of account for interest subsidies introduced in association with the European Monetary System, which could yet revive the controversy between the two institutions.

The Council, by proposing the supplementary budget, accepted the Parliament's principal argument that the main budget drawn up for 1979 should stand as amended by the Parliament to include a big increase in spending on the Community's less developed regions.

The Council had attempted to reject this increase and has, in the supplementary budget, pruned it by 155m (£99m) units of account. As a trade-off, it proposed an additional 200m units of account for interest subsidies for Ireland and Italy, on which these two countries had insisted before joining the EMS. But, said the Council, these should be classified as "obligatory" payments, over which the Parliament would not be consulted. "Obligatory" payments are those which flow directly from Treaty of Rome obligations.

In its vote today, the Parliament amended this provision, specifying that the expenditure should be "non-obligatory" and, therefore, should require Parliament to be consulted.

The issue will come up again next month when EEC Finance Ministers meet in Brussels. They may well overrule the Parliament's amendment. But this could have repercussions when the budget for 1980 is presented.

Schmidt opposes reprisals for E. Berlin Press curbs

BY JONATHAN CARR IN BONN

HERR HELMUT SCHMIDT, the West German Chancellor, has firmly opposed the taking of economic reprisals against East Germany because of its new restrictions on the activity of Western journalists.

In comments to the parliamentary group of his Social Democratic Party, Herr Schmidt made clear that Bonn had no interest in being drawn into action which could endanger the process of relaxation of tension between East and West.

The Chancellor repeated his criticism of the East German action, which he believed had been taken because the East German leadership found it hard to put up with the, at times, highly critical Western reporting.

However, he said it would be foolish for West Germany to undermine its own strong position by adopting tactics similar to those used by the East.

As before, when similar action has been taken by East Berlin, demands have been made for reprisals, either of an economic nature or against East German Press representatives in the West. But the Bonn Government has consistently refused such action in the past

East German dissident to face currency charges

BY LESLIE COLITT IN BERLIN

EAST GERMANY has begun legal proceedings against its most prominent political critic, Professor Robert Havemann, 69, who has been under house arrest since November 1976. The Marxist professor is being accused of violating the country's foreign currency regulations for which he can be fined up to 10,000 marks (some $5,000) and/or be sentenced to up to 10 years in Prison.

Herr Havemann's cottage on the outskirts of East Berlin was searched late last week by court-appointed officials who removed several items. The search came after Herr Havemann protested in a statement against his intensified house arrest leading to measures against his wife and child.

This first step toward branding Herr Havemann as a criminal is felt likely to lead to a fine but not imprisonment. Until now the only factor preventing the East German authorities from locking up the outspoken professor is that he was arrested by the Gestapo in 1943 and sent to the same prison where East Germany's leader, Herr Erich Honecker, served eight years.

Urenco plans to expand capacity to 2,000 tonnes

BY CHARLES BATCHELOR IN AMSTERDAM

URENCO, the Anglo-Dutch-German uranium enrichment group, is planning a further expansion of capacity, after the recent decision to expand to 2,000 tonnes a year by 1985. It has already signed contracts which will take up its full capacity, according to Dr. Maarten Boogardt, director of the Dutch partner in the consortium.

News of these plans produced an immediate reaction from Labour Party MPs who questioned such a move so soon after the accident at the Harrisburg nuclear power station in the U.S. The Dutch Government is due to announce its revised energy policies, including its plans for nuclear power, later this year.

A Urenco spokesman pointed out that the plans to expand further were simply a commercial decision prompted by the taking up of capacity already planned. The Dutch Urenco partner, Ultra-Centrifuge Nederland, expects to puts its proposals to Parliament for its approval later this year.

Urenco expects no immediate large increase of orders for enriched uranium, but countries wishing to diversify their sources of supply, such as the U.S., might provide new openings for the consortium.

An agreement to deliver uranium to Brazil led to a series of heated debates in Parliament earlier this year, with a large body of both Government and Opposition MPs seeking tighter safeguards from the Brazilian Government that the fuel would not be used to make nuclear weapons. Any further expansion of Almelo is likely to produce strong opposition in and out of Parliament.

The Dutch plant is now raising capacity from 200 to 600 tonnes a year as the first stage in a plan to expand to around 1,000 tonnes. The British plant at Capenhurst, in Cheshire, is also increasing capacity while the three partners earlier this year approved the construction of a third plant, at Gronau in Germany.

AP adds from Madrid: Basque separatists guerrillas have threatened to blow up an unfueled nuclear power plant in northern Spain if Japanese financiers provide the money to complete it, nuclear industry officials said yesterday.

Basque separatists bombed the $1bn plant at Lemoniz, outside Bilbao, 13 months ago, killing two people and delaying its opening until at least 1980.

Scandal over Spanish trial grows

BY DAVID GARDNER IN MADRID

THE Spanish High Court yesterday stepped into the scandal over the disappearance from jail of a neo-fascist on remand for the alleged murder of five Communist labour lawyers in Madrid in January 1977, the notorious "Atocha" massacre.

The Court dismissed from the case Judge Rafael Gomez Chaparro who granted a special leave permit to the accused man, Sr. Fernando Lerdo de Tejada, to spend Easter with his family. Sr. Tejada failed to return to jail and is reported to have fled abroad.

The affair has taken an uncomfortable turn for the Spanish judiciary, prison system and police following a spate of revelations which at best highlight their incompetence.

Previous applications for special leave for Sr. Lerdo had been turned down by the Justice Ministry but on this occasion, Sr. Gomez Chaparro had neither informed the ministry nor lawyers acting in the case. Furthermore, the warrant for Sr. Lerdo's arrest was not issued until four days after he was due back in Ciudad Real jail on April 17, and was not made public until late on Monday, breaking radically with standard procedure in such cases.

By this time, Sr. Lerdo had already been interviewed by the weekly Blanco y Negro magazine in the South of France.

Further fuel has been added to the controversy by Sr. Rogelio Borras, a socialist senator for Ciudad Real and director of the rehabilitation unit at the local jail. Sr. Borras claims that two of the other men accused for the Atocha murders attempted to assault him during a visit to the jail, being prevented only by other prisoners. He presented his resignation to then then director general of prisons—Sr. Jesus Haddad, who was soon after assassinated by GRAPO, the shadowy terrorist organisation—but this was refused.

Sr. Borras claims that the Atocha prisoners were then put in charge of the prison supermarket, enjoying wide freedom of movement and ample funds. These funds, he claims, enabled them to put on a dinner of lobster and alcohol for their fellow inmates, in commemoration of the Atocha massacre on January 24.

At the same time, lawyers acting for the families of the Atocha victims claim that two of the other accused men have been given three and four special leave permits respectively, for holidays, weddings, and what they describe as spurious medical reasons.

Stewart Dalby reports on the Irish Government's national wage understanding

Dublin tries to quell the tax revolt

WHILE taxes continue to be a main issue in the British general election, the Irish Government, with its new national wage understanding, might just have managed to have taken the momentum out of the snowballing tax revolt.

So far this year, there have been several protests, including a march by 150,000 PAYE workers through the centre of Dublin, which amounted to a virtual one-day general strike in the capital. There could well be a second march on May 1, since the Dublin Council of Trade Unions, which organises the protests, has said it intends to go ahead with a May Day demonstration. The bigger Irish Congress of Trade Unions (ICTU), however, has welcomed the agreement, which could result in average wage increases of nearly 15 per cent over the next 15 months.

There are two strands of discontent. First, although Ireland may still be an agricultural country, which came late to industrialisation, it is still close to the British Isles, and its workers are organised along the lines of the powerful unions in Britain. In other words, pay increases can be achieved through industrial action.

Second, the industrial and service sector workers, of whom there are 750,000, pay tax through PAYE, and now contribute about 86 per cent of the tax bill. They have long been unhappy about the small contribution which farmers make. In 1978, the country's farmers paid a total of £55m, which came to less than 2 per cent of the tax bill, and just 6 per cent of farm income. This included rates and other charges. In income-tax alone, the farmers' contribution is miniscule.

This year has seen several strikes over pay. The postmen have been on strike; there has been a dock strike, a bus strike, a threatened bank strike, and persistent industrial action by telephone workers. Disputes about pay, however, are worrying enough in themselves because they may not have turned into a fully fledged wages and tax revolt if the Government had not acted extremely clumsily over the farmers.

Farmers have only had to pay tax since 1974, and they do so in two basic ways. They can opt for the accounts system, whereby they draw up their own sets of accounts and pay normal PAYE levels on this. In this way they get the normal allowances for wives and children. Because farmers are also businessmen and do not differentiate between personal and business income, they get a second set of capital investment allowances. They can thus reduce their tax load to virtually nil. One Dublin economist, for example, estimated that on a turnover of £18,000 the tax bill, using full allowances, would come out at £470.

The other method is a notional one, using the ratable value of land and a multiplier to arrive at the gross taxable level. One problem here is that the ratable values are historic. They were drawn up in 1949. When first brought in, the threshold was £100. The average farm size in Ireland is 50 acres. Although over the years the threshold was reduced to £50 and the multiplier increased to 125 from 40, few farmers were hauled into the net. Last year, only 23,000 farmers paid income tax.

Since Ireland joined the EEC in 1973, farm incomes have increased by 140 per cent. In the eyes of PAYE workers, therefore, the farmers were getting all the benefits of community membership and paying none of the penalty.

To remedy this, Mr. George Colley, the Finance Minister, introduced a 2 per cent levy on all agricultural goods in his February budget.

This would have brought in only £16m in a full year, but it was a mere gesture. But then, under pressure from the well-organised farming organisations, Mr. Colley rescinded the levy a month later. He said that, in exchange, the farmers had agreed to come up with a scheme which would see them paying their fair share by May 1.

May 1 could see another massive protest over *taxation through the centre of Dublin.* Stewart Dalby reports from the Irish capital on the Government's latest attempts to head of PAYE workers' anger over wages and taxes.

Despite this, the rescinding of the levy was the last straw for PAYE workers. The revolt really took off, and until this week looked like escalating.

With the new pact, which in full is called the "National Understanding on Social and Economic Development," the Government hopes to have dampened the PAYE workers' wrath over both wages and taxes.

It offers a 9 per cent average increase in wages with a minimum of £4 for the first nine months (7 per cent cost of living, and 2 per cent productivity). In the following six months, there will be a 1 per cent rise for every point that inflation rises over 7 per cent and up to 11 per cent. In other words, there could be an increase of 14½ per cent, depend on inflation.

Additionally, the Government has built some new features into the pact. Tax rebates are to be given, and these will cost £39m. There is to be £1 a week increase in social welfare benefits, and the eligibility for health payments is being raised from £5,500 to £7,000. All told, these measures will cost £50m, and the money will come from the £70m grant the EEC is giving Ireland this year for joining the European Monetary System.

The wage increase should cost the Government less than £19m for public-sector employees. The Government is declining to say what the inflation rate is now, but maintains it could be down to 5 per cent at the end of the year. It claims the wage offer will not fuel inflation.

The real coup de grace, however, looks like being the new measure for farmers. Without waiting for the farmers' proposal on May 1, the Government has announced a new resource tax, worked out on the rateable value of land. It has reduced the threshold for liability for income tax from £50 to £40; it has abolished the notional basis for assessment; and it has imposed some restrictions on capital allowances.

This could bring in £105m, although not until 1980. It will, nevertheless, double the farmers' contribution and, although there have been howls of hurt protest from the farming organisations, the Government will this time probably push it through. If it does so, it has a good chance of nipping the tax revolt in the bud. Mr. Harold O'Sullivan, the president of the Irish Congress of Trade Unions, has already welcomed the wage pact. It is a question of waiting and seeing what the turnout is on May 1.

Mr. George Colley

U.S. offshoot for Nippon Gakki

TOKYO—Nippon Gakki Company, the world's largest maker of musical instruments, is to establish a company in the U.S. later this month to produce electric guitars and other instruments, the company said yesterday.

The new company, Yamaha Music Manufacturing, will be located near Atlanta, Georgia, and will be owned wholly by Nippon Gakki's subsidiary, Yamaha International Corporation.

Capitalised at $1m, Yamaha Music Manufacturing will employ about 100 persons initially, and go into operation in the spring of 1980. The capital may eventually be increased to $5m.

AP—DJ

Wage disputes disrupt New York services

BY JOHN WYLES IN NEW YORK

APARTMENT buildings in New York City yesterday lacked many of their normal services, the city's supermarkets their normal milk deliveries, rubbish was not being removed as usual by river, schoolchildren were not being normally transported by bus and the state's prisons were not being guarded by their security officers.

This departure from normal is entirely due to strikes collectively involving more than 30,000 workers whose wage negotiations have broken down and whose settlement prospects are being clouded by President Carter's wage restraint guidelines.

Some 20,000 doormen, lift operators, porters and other apartment building workers added to the strike wave on Tuesday after negotiations on a new three year contract had collapsed, the old agreement having expired last Friday.

Hundreds of apartment buildings have been forced to improvise security procedures, rubbish removal and mail sorting and in most of them normal maintenance work ranging from replacing broken windows to changing an electric fuse may be left undone until the dispute is settled.

The city has already adjusted to the month-old strike by milk delivery men and most supermarkets have managed to arrange alternative supplies. The drivers are demanding a substantial increase in pay and benefits and have rejected a proposal for binding arbitration. The employers, meanwhile, are threatening to move their businesses out of the city.

Some 2,800 tugboatmen have now been on strike for 23 days, forcing among other things, liners such as the QE2 to dock unaided. The strikers have ignored a court order to operate three tugs to tow New York's garbage to a landfill on Staten Island. They have turned down annual increases of 6 per cent for three years and have claimed a 40 per cent rise in one year.

New York's prison officers have been on strike for a week, in contravention of a state law prohibiting strikes by public employees. National Guardsmen have been drafted into the prisons following rejection of a 7 per cent wage increase in the first year of a two year contract.

Finally, the drivers of schoolbuses employed by a number of private concerns have been out for 10 weeks, forcing New York City to adopt alternative transport arrangements which have put added strain on its tight finances.

U.S. short-term interest rates fall

BY STEWART FLEMING IN NEW YORK

SHORT-TERM interest rates are continuing to fall in the United States following last week's apparent decision by the Federal Reserve Board not to tighten credit conditions by raising its average weekly target for federal funds above 10 per cent.

But with the long term bond markets still concerned about the inflationary outlook interest rates in that sector have not eased.

Some economists are forecasting better news on the inflation front today. When the Bureau of Labour Statistics is due to release the consumer price index for March.

Economic consultants Townsend-Greenspan are forecasting that the March CPI could rise by 0.8-0.9 per cent, considerably less than the 1.2 per cent rise in March.

Such an improvement could help the bond markets, although it is unlikely that investors would want to begin making heavy commitments to bonds on the basis of a single month's figures.

The decline in short-term interest rates is beginning to lead to speculation that commercial banks could cut the prime rate which has been split since February.

Most major banks are still charging 11¾ per cent but some, including New York's largest bank, Citibank, are charging 11½ per cent.

It is generally believed that this split has endured only because the banks at the higher level have been privately discounting the prime to important customers.

Guyana asks IMF for a larger loan

BY MUHAMAD HAMALUDIN IN GEORGETOWN

GUYANA IS negotiating with the International Monetary Fund (IMF) for a sizeable but unspecified loan, Mr. Frank Hope, the Finance Minister, has announced.

The country has successfully completed a series of tests for a one-year standby credit, introduced last August, under which it received £5.6m in compensatory financing and another £4m in second tranche drawing.

The country has met a number of performance targets and ceilings, Mr. Hope said. Public sector borrowing from the banking system had been kept to a ceiling of £32m at the end of August, and £129m at the end of October and at the end of February it was £2.8m below the £135m ceiling.

Net domestic assets of the bank of Guyana also observed targets of £51m and £48m while in February they were £14m below the £45m ceiling. Targets were also met in external payments arrears, with debts being reduced from £20m in December 1977 to £9m at the end of February.

The Government announced its plan to negotiate a larger loan when it sent its letter of intent to the IMF for the standby credit, but so far there is no indication as to what amount is being contemplated.

David Tonge reports on a wave of arrests in Argentina

Junta provokes union confrontation

Sr. Jose Martinez de Hof . . . policies challenged by labour.

BY ARRESTING the leaders of 20 of Argentina's most important unions on Monday the junta has embarked on what could prove to be a serious confrontation with the most powerful trade union movement in Latin America.

The 20 had called a national strike for tomorrow in protest at the Government's economic policies. They are reported to have insisted on the need to avoid any demonstration which could be considered a threat to public order.

In response to government pressure they asked for 48 hours to consider calling off the strike, but they were arrested on leaving the Labour Ministry where they had been meeting government officials.

When the punta seized power in 1976 it introduced a decree making strikes illegal. This has been used only selectively. In 1977 there was a series of public sector strikes and in 1978 there was a go-slow by 10,000 Buenos Aires dockers.

This year the pressure has mounted. Plants affected by strikes include those of Renault, Thompson Ramco and the Industras Mecanicas del Estado plant, run by the military.

Central to the labour unrest have been increased wage demands. According to official figures, inflation last year was 170 per cent. This year, industrialists forecast that it will be over 100 per cent, though the Government expects it to fall to 60 per cent. In the first three months alone, it totalled 28 per cent.

However, the Government allows only a monthly 4 per cent increase in wages. Restoring real wages is one of the 10 demands made by those arrested on Monday.

Others include protecting national industry—Sr. Martinez de Hoz the Minister of Finance, is reducing tariff barriers and seeking to avoid a projected UN code on transnationals being legally binding—and improvements in human and union rights.

They refer specifically to political prisoners and to the people who have disappeared under the junta—human rights organisations estimate the number of those who have disappeared to be 7,000 to 15,000. Those arrested also call for legal protection for trade unions.

Those arrested on Monday belonged to the "Committee of 25," which groups the unions which have retained elected leadership and which, to a considerable extent, carry on the Peronist tradition.

Last August the *Comision Nacional del Trabajo* was formed, grouping slightly less militant unions, but this, too, has come into conflict with the junta. It has also discussed joining forces with the Committee of 25.

In 1978 (though not in 1977) the Committee had agreed to send representatives to the annual meeting of the International Labour Organisation (ILO), a move which helped the Government to resist attacks on its handling of unionists.

Asked about possible repercussions, General Albano Harguindeguy, the Minister of the Interior, said on Tuesday: "Let's hope they do not let us participate. So much the better. Then we can get out of that international organisation."

The British-Argentina Committee has objected to the visit to London next month by Sr. de Hoz as guest of the Board of Trade.

Peruvians face a surfeit of dollars

BY NICHOLAS ASHESHOV IN LIMA

IN THE MIDDLE of next month Sr. Javier Silva Ruete, Peru's Minister of Finance, and Sr. Manuel Moreyra, president of the Central Reserve Bank, will be celebrating the first anniversary of the stormy weekend when they took over the management of their country's disastrous finances.

Riots and strikes followed their first measures—steep increases in the prices of food and petrol—but bankers liked what they saw. Within three months a deal with the International Monetary Fund (IMF) had been arranged and the same U.S. bankers who in May had been about to declare a default were persuaded instead to accept six-months delay on nearly $200m of due debt.

Today Sr. Moreyra, 42, complains that Peru is still referred to in the same breath as Zaire and Turkey and criticises the IMF as "out of touch," maintaining that "they don't count any more."

This time last year, a letter of credit from a Peruvian bank was regarded with profound gloom by almost all international bankers. Now as with higher metals prices and increased oil production, the country faces an embarrassingly large, inflation-inducing surfeit of dollars.

The two financial leaders can claim some of the credit for this. At the end of last year they refinanced 90 per cent of the principal due this year and next on the foreign debt, which, with related operations with the World Bank and the IMF, came to almost $2bn.

Deficit

But their real success is only now becoming clear. Tax returns for the first quarter indicate that the budget deficit is running substantially under what at the time was reckoned to be a wildly optimistic projection.

Government spending, identified as the basic cause of the Peruvian near-collapse in 1977 and 1978, has been substantially reduced and both central Government and the State-owned industrial and trading entities are being held to their allocations.

Tax income is also substantially higher than predicted. Under the terms of the agreement reached with the IMF the deficit—defined as the net credit to the Government from the local banking system—was to be no greater than Sb soles ($335m) but Sr. Moreyra is now predicting that it will end the year in the 30 to 50bn soles range.

A few weeks ago he was even talking about a balanced budget, but political pressures for reactivation of the depressed economy are likely to build up during the year: a national teachers' strike is threatened, for instance, in early May.

Not unexpectedly, the struggle to bring inflation under control is apparently running into problems. The official cost of living index for the first quarter was up by just under 17 per cent over the end of 1978 figure. Last year the index registered 74 per cent and the official target for 1979 was 40 per cent.

Both Sr. Moreyra and Sr. Silva Ruete are still maintaining that the target will be reached and a few bankers agree, as it is traditional for the rate of increase to drop off sharply in the last half of the year.

But Sr. Moreyra is having to use a variety of mechanisms to soak up the dollars flowing in from exports, which should top $3bn this year, over 50 per cent more than in 1978. The Central Bank is buying up as much of Peru's current production of refined silver and gold as it can, and will be mining it into coin in a few months.

The bank is also going to pay off virtually all its swap arrangements, $460m of which are outstanding, by the end of the year and the private sector will be squeezed: most of the $300m-worth of private sector swaps and "advanced accounts" are to be retired by the end of the year.

Normally the surplus dollars would be used by stepping up imports in tune with increased exports. But after four years of recession, and nearly 10 years of tight import controls, Peru's businessmen and the local market are in no position to start replenishing stocks and increase consumption.

Imports

Indeed Srs. Moreyra and Silva Ruete are currently arguing with the Ministry of Industry and Commerce, and with the local manufacturers' lobby group, the Sociedad de Industrias, about imports.

The financial authorities have been trying to get the bureaucracy to release import controls on a wide variety of industrial and even luxury goods, but industrialists, accustomed to years of protection, are digging in their heels. "They'll be digging their own graves if they don't watch out," Sr. Moreyra suggests. "They don't understand that getting things moving again is to their own advantage."

Overriding the technical aspects of Peruvian financial management, however, has been Sr Silva Ruete's adroit handling of the military government. The Finance Minister, a career bureaucrat and politician, was regarded with intense suspicion by the Lima banking and business community when he was appointed.

He is now respected as one of the few people in Peru who knows how to persuade individual generals and admirals to toe the line on austerity. He has fielded their "special request" and their complaints about tight budgets and has judged when the time is ripe to take another step towards normalising the still-battered economy.

Early next year, if all continues on schedule, the military will be calling presidential and general elections, the first in Peru since 1963, and political traumas have already started appearing. But Sr Moreyra claims that the incoming Government is already "assured of a clean balance sheet and an economy ready for take-off."

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Israelis pound Tyre region in heaviest raid for year

BY IHSAN HIJAZI IN BEIRUT

ISRAELI gunboats yesterday atacked the Lebanese southern coastline near Tyre, 15 miles north of the Israeli border.

Palestinians described the bombardment as the worst since the Israelis began their air, sea and artillery action four days ago, in revenge for Sunday's guerrillas raid on Nahariva.

Israeli fighters buzzed Beirut and swooped over Palestinian camps, drawing ground-fire from guerrilla positions and from anti-aircraft guns of the Syrian troops serving with the Arab League deterrent force.

The planes then headed north and flew over the Palestinian camps of Naht el Bared and Baddawi near the port of Tripoli, Lebanese officials said. The planes and gunboats pounded a wide area from Tyre eastwards to Nabatiya, then shelled three Palestinian camps near Tyre.

While the bombardment was underway, Israeli "frogmen" blew up a Greek freighter anchored off Sidon.

Fifteen people are believed dead in the raids, with extensive damage to property and buildings.

The Lebanese Government been trying to convene an emergency meeting of the UN Security Council to stop the Israeli attacks—the heaviest since Israeli troops overran Southern Lebanon in March last year. As yet, Security Council members have made no significant response to the Lebanese move.

Hundreds of families have fled the South, and the Lebanese Government is worried that it may face a refugee problem such as followed last year's invasion of the border region.

In Beirut, the pro-guerrilla Press has complained that hard-line Arab States have done nothing to help the Palestinians fend off the Israeli attacks.

Observers doubt that the Israeli action will deter the guerrillas. "It might slow them down for a while but will not stop them," one said.

David Lennon reports from Tel Aviv: Israeli and Palestinian gunners exchanged fire across the Lebanese border yesterday, while Mr. Ezer Weizman, Israeli's Defence Minister, flew to Cairo to discuss the Israeli withdrawal from Sinai.

Israeli artillery had retaliated after the Palestinians fired volleys of rockets into northern Israel early yesterday, an army spokesman said. Three people were reported injured by the rocket fire.

The Israeli Army was hitting the guerrilla organisations "whenever and wherever it sees fit," the spokesman added. The severe naval and air bombardments of the past few days did not constitute a new policy. Rather, standing policy was "being intensified."

Undisturbed by the clashes, Israel and Egypt went ahead in Sinai with a ceremony exchanging the instruments ratifying their peace treaty.

The ceremony was held at the U.S. early warning station at Umm Hashiba in the Sinai buffer zone.

This symbolic act signalled the start of the countdown for beginning Israeli withdrawal from Sinai and the development of normal relations between the two former enemies.

Man dies as bomb explodes in Salisbury

By Tony Hawkins in Salisbury

A BOMB exploded in a Salisbury shopping centre during the lunch-hour yesterday killing one black and wounding another. The blast, which occurred about a mile from the city centre, was caused by a device left in a suitcase in a disused storeroom at a carpet supermarket.

It was the first major bomb attack in the capital since August 1977, when guerrillas exploded two bombs in the city centre, one of which killed 11 people and wounded more than 70. The new attack has fuelled speculation here that the Patriotic Front guerrilla alliance, which suffered a severe setback at last week's elections, will now try to intensify the war, especially in urban areas, to demonstrate that the elections have not resolved the Rhodesian issue.

The blast occurred shortly after thousands of supporters of Bishop Abel Muzorewa, the Prime Minister-elect, had paraded round the city in buses and cars, celebrating the election victory of the bishop's United African National Council.

Minerals compromise

The Australian Cabinet has patched up a row between the coalition parties over mineral export controls. A Cabinet meeting in Perth decided to call for an inter-departmental report on federal export powers, James Forth writes from Sydney. The federal Government also wants to hold talks with the states to work out a joint consultative mechanism on controls. Controls not formally approved by the Cabinet have been used to maintain a supervisory role over iron ore prices.

Jakarta price rise

Indonesia has announced price increases from May 1 of between 3.2 per cent and 5.9 per cent for its crude oil, Reuter reports from Jakarta. It is the second time this month that the state-owned Pertamina oil company has put up its prices. Indonesia's crude oil exports have decreased from a peak in 1977 of nearly 1.3bn barrels a day to about 1.1bn according to current estimates.

Amin troops at border

More than 1,000 heavily armed soldiers from Idi Amin's army have been turned back into Uganda when they tried to cross the border into Kenya, Reuter reports from Nairobi. Quoting Kenyan reporters at the border town of Busia north of Lake Victoria, the agency said that after being refused permission to enter Kenya, the soldiers, travelling in buses, lorries and cars, headed north and hit land-mines. An unknown number of the pro-Amin troops were killed.

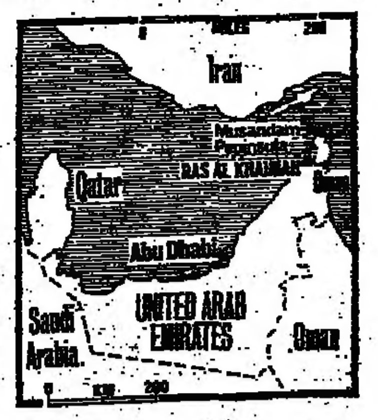
Japan strike called off

Japanese state railway workers ended a planned three-day strike yesterday when a public arbitration commission approved a wage increase of 5.63 per cent. Charles Smith reports from Tokyo. A similar offer was accepted a few hours later by employees of private railway companies. The strike had been in progress for half a day.

TENSIONS IN THE UAE

A sheikh in danger

BY OUR FOREIGN STAFF



INTERNAL upheavals in a strategically placed sheikhdom in the United Arab Emirates have seriously shaken the standing of its ruler and may lead to his deposition. Such a development could have serious implications for the Gulf as a whole.

Sheikh Saqr Bin-Mohammed al-Qasimi, ruler of Ras al-Khaimah on the Strait of Hormuz—through which pass 100 tankers a day—is at the centre of a storm which recently led to demonstrations against his style of leadership and against poor economic conditions in his emirate.

Events in Ras al-Khaimah, set against the background of revolution in Iran and recession in the UAE, have worried other traditional rulers in the federation who, with Ras al-Khaimah, are involved in controversy over moves to unify their relatively loose political grouping.

Yesterday the ministerial Cabinet of the federation resigned to pave the way for the formation of a new Administration. This followed mediation by Kuwait in an effort to reach a compromise between the two chief protagonists of the UAE, the President, Sheikh Zaid, ruler of Abu Dhabi, a strong advocate of closer unity, and the Vice-President Sheikh Rashid, ruler of Dubai, who says that closer unity would destroy the independence of the hereditary sheikhdoms.

There has been speculation that a Kuwaiti proposal that Sheikh Rashid should become the next Prime Minister of the federation has been accepted by Abu Dhabi. It is also said that the independent-minded Sheikh Rashid has agreed to hand over half his emirate's income to the federal budget each year and to blend his armed forces with those of the federation.

The threat to Sheikh Saqr of Ras al-Khaimah, which could undermine the region's stability, came to a head when he sided strongly with Dubai in opposing demands by the Federal National Council, the federation's nominated assembly, for closer unity.

Demonstrations occurred in the emirate and, according to local reports, there was an attempt to tear down its flag. The local armed forces proved reluctant to take effective action against the demonstrators.

Since then Sheikh Saqr has imprisoned the leader of a small tribe saying that he accepted money from other emirates to start the demonstrations.

Now a committee of 30 citizens is negotiating for changes in the way the sheikhdom is run and many senior Ras al Khaimah people are speaking openly of Sheikh Saqr's son Sheikh Khalid taking over as ruler.

Ras al-Khaimah has not discovered oil in commercial quantities but has an income from cement production, quarrying and a variety of service activities. However, it is very poor compared with Abu Dhabi and Dubai, with their oil incomes, and it is generally considered to have over-committed itself on development.

It is believed to have total financial commitments, both overseas and in the UAE, of about £250m, and though it is not thought to have defaulted on loans by foreign banks, it is known to be seriously in arrears on payments to local contractors. Because of its attitude to the federation it has been deprived recently of federal funds and this has hindered development in the poor, rural areas of the sheikhdom.

The committee of 30 citizens from the villages of the sheikhdom is believed to have made three demands: that Ras al Khaimah should back Abu Dhabi in strengthening the federation, that Sheikh Saqr should support the pro-unification memorandum of the Federal National Council and that the sheikhdom's citizens should be given more say in economic planning and administration.

The committee wants more services to be provided by the federation instead of by the emirate itself, pointing out that electricity and water cost several times more in Ras al Khaimah than in Abu Dhabi and that the supply is erratic.

Foreign bankers believe that the emirate's financial problems can only be resolved if it hands over the running of such things as its telecommunications earth satellite station, its hospitals, airports and harbour to the federation. But the federal Government, based in Abu Dhabi, would only be prepared to take over the cost of running them in return for political concessions.

So far, however, Sheikh Saqr is reported to have proved unbending in negotiations with the 30-man council. He is a dogged, old-style sheikh who has ruled his territory for more than 30 years. As for his possible replacement by his son, Sheikh Khalid, one committee member has said: "We know there is really no difference between the ruler and his son and Sheikh Khalid will never go against his father. But there is hope in his youth—he may change."

The key question is the attitude of Abu Dhabi. If it were to stand aside as Sheikh Saqr were peacefully removed, the other independent-minded rulers in the UAE would be alarmed.

● The United Arab Emirates and Qatar announced yesterday that they were breaking off relations with Egypt, bringing to six the number of Arab countries which have cut ties with Cairo since President Anwar Sadat agreed to sign a treaty with Israel.

Tel Aviv tightens its economic grip over occupied West Bank

BY RAMI G. KHOURI IN AMMAN

ISRAEL IS strengthening its hold over the West Bank and at the same time its economy is becoming more deeply dependent on the occupied territory.

This is the view from Jordan as Israel, Egypt and the U.S. prepare to start a new round of negotiations on the nature and extent of the "autonomy" that is to be granted to the Palestinians of the West Bank and Gaza under the terms of the Camp David framework.

A report, prepared for the Jordanian Government by the economics department of the Jordanian Royal Scientific Society, outlines five main areas where Israel has tightened its links to, and its control of, the physical and human resources of the occupied West Bank.

These are the annexation of Arab land for use by Israeli settlers; the increasing Israeli dependence on the water resources of the West Bank; the Israeli economy's growing reliance on cheap Arab labour; the evolution of the West Bank as Israel's biggest trading partner after the U.S.; and the attempt to manipulate electricity generation and supply to forge closer links between itself and the occupied areas.

"These Israeli actions can be put in another way," the report says. "Israel is utilising three factor of production — labour, land and capital—all originating in the West Bank and exploited by Israel in a variety of forms and in a deliberate manner. It has always been the dream of Israel to link the two economies in a way to enable Israel to reap what benefits it can from the resources of the West Bank, and further to make it as dependent as possible on Israel for its well-being."

The Jordanian aim in compiling the report is to draw attention to the extent of the physical changes that Israel has made in the West Bank during the past 12 years of occupation.

It says that Israel has forcibly taken possession of about 150,000 hectares of the 550,000 hectares of land that make up the area of the West Bank. It has used this land primarily to build Jewish settlements and to build and expand Israeli military camps. By the beginning of this year, the report says, there were 68 Jewish settlements housing over 90,000 people. A concentration of settlements has taken place around Arab Jerusalem, where 76,000 settlers live.

All the settlements, particularly the 19 agricultural ones in the Jordan Valley, depend on water resources inside the West Bank. The Jordanian report, quoting British and Israeli studies, estimates that the West Bank enjoys a water surplus of around 700m cubic metres per year, while Israel itself is expected to experience a deficit this year of some 265m cubic metres, rising to 500m cubic metres in 1985

Israel's control of Arab water resources in the occupied areas is demonstrated by the ban on Arab drilling of artesian wells without permission from the Israeli military occupation authorities; the placing by Israel of an upper limit on water pumped out of existing Arab wells (which is enforced by daily readings of meters that have been fixed to wells). In addition 24 new artesian wells have been drilled in the West Bank for the exclusive use of Jewish settlements.

The West Bank is also thought to supply about 55,000 workers every day for the Israeli economy, more than half of whom work in unskilled construction jobs. The West Bank workers' ratio to the total Israeli labour force has increased from 1.5 per cent in 1970 to nearly 3.5 per cent in 1977.

One result of this, the report suggests, is that the West Bank's own economy is not moving ahead, as illustrated by the fact that the total number of workers inside the West Bank has declined from 99,900 in 1970 to 92,600 in 1976 (according to Israeli figures).

Even the earnings of the Arab workers in Israel are often returning to Israel in the form of payments for Israeli exports to the West Bank. In 1977, Israel took about 63 per cent of West Bank exports and provided 90 per cent of its imports. The East Bank of the Jordan, in contrast, took only 37 per cent of West Bank exports and provided a miniscule 2 per cent of its imports. "Thus, in short," the report says, "the West Bank offers Israel a captive market totally dependent on developments in Israel and incapable of standing on its own feet."

Another means by which the West Bank is to be organically tied into the Israeli economy and infrastructure, the report says, is by the use of electricity. After the 1967 war, it suggests, Israel tried various forms of pressure to tie the West Bank's electricity network into the Israeli grid. Some Arab cities held out, while others succumbed.

TANZANIA'S ECONOMY UNDER STRAIN

Belt-tightening to follow Amin war

BY MARK WEBSTER, RECENTLY IN DAR ES SALAAM

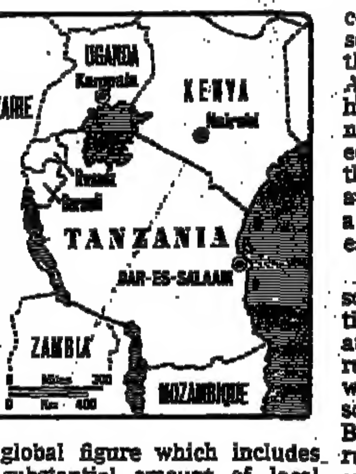
THE FIVE-and-a-half months of fighting between Tanzania and Uganda have placed an immense burden on Tanzania's already shaky economy. Western economists believe the Dar es Salaam Government will have to make considerable cuts in its development plans in order to balance the budget expected in June.

But the general opinion is that Tanzania could pull through the immediate crisis as long as certain conditions are respected. Although a rough patch is inevitable, the damage *should not be too great if the* Tanzanian army does not stay too long in Uganda, if imports are cut drastically, if the International Monetary Fund goes ahead with its balance of payments support plan, and if aid donors are prepared to shift money from specific projects to programme aid, particularly import support.

The Tanzanian Government has already done what it can immediately by slashing import licences to half the 1978 level. Many people believe the budget is likely to reveal substantial cuts of development expenditure. But economists say the Government has not yet decided on where the axe should fall.

Even before President Idi Amin provoked the war by invading Tanzania last October, it loked as though 1979 was going to be a bleak year for the Tanzanian economy. After an estimated balance of payments deficit for 1978 of $198m, there were forecasts of a payments deficit for the financial year 1978-79 of around $100m.

Since then the cost of the war has undoubtedly widened the gap, by how much remains to be seen. The cost of the fighting has been put at anything between $250,000 and $1m a day,



a global figure which includes a substantial amount of local expenditure and lost production.

The Government has been borrowing heavily from the banking system to pay for the local costs of the fighting. The combination of shrinking imports and expanding credit has fuelled fears of a major bout of inflation. Until now Tanzania has protected itself from domestic inflation by price controls.

It is not known how much new equipment Tanzania has had to import to fight the war and how much has been coming from stockpiles. Nor is there any reliable indication of what terms the Tanzanians have been offered by the Chinese and Soviet bloc countries which have been supplying their arms.

All that is certain is that the cost of keeping any army of something like 20,000 men in the field is fairly staggering. Added to that, the Tanzanians have had to face the logistical nightmare of ferrying all their equipment more than one thousand miles to the front, an operation which relies on a substantial imported element, especially fuel.

An indication that at least some of the arms and ammunition are being paid for immediately is that foreign exchange reserves are down to under two weeks of imports, which is something less than $50m. Because foreign exchange is running so short, the Tanzanians are now making contacts with a view to seeking commercial credit.

Without some form of outside assistance there is a grave risk that industry will be seriously hit by the falling import allocations. The small industrial sector has already been adversely affected by the partial switch to military supplies needed for the war. Factories are now facing the daunting prospect of having to lay off men when they come back from the fighting.

The cutback in import licences is all the more serious because the real value of the imports is likely to be as much as 30 per cent lower than last year. Since then there has been a 10 per cent devaluation of the Tanzanian shilling, an estimated 10 per cent world inflation rate and the recent OPEC oil price increase which would add another 10 per cent to the import bill.

Some help is already on the way in the shape of the first tranche of an IMF facility for balance of payments support which is due to be disbursed in the near future. Now that agreement has been reached over the first $40m portion, the Tanzanians are expected to look to some of the other IMF facilities for further help.

Another source of potential help are the aid giving nations, which are being asked to increase or to redirect towards imports their aid which at present stands at between $450m and $500m a year.

For the rest of their hopes for recovery, Tanzania is depending on the weather to ensure that there is a good harvest. There are encouraging signs that food crops are heading for a bumper year, thanks partly to the country's self-sufficiency drive according to agricultural experts.

U.S. unhappy with Japan's government buying offer

BY DAVID BUCHAN IN WASHINGTON

U.S. AND Japanese officials met yesterday for the second day running in a bid to reach agreement on liberalising their government procurement policies, before the Japanese Premier, Mr. Masayoshi Ohira, arrives here on an official visit next week.

Mr. Robert Strauss and his trade officials are not, however, overly impressed with the latest Japanese offer made this week. Though it would open some $7bn of Japanese state contracts to foreign bids, the U.S. still maintains that they are not in areas of high technology where the U.S. companies might have a competitive edge.

The U.S. wants to see further concessions—in particular from the Nippon Telegraph and Telephone (NTT) Corporation, a Government agency which orders bililons of dollars of communications equipment each year.

The U.S., for its part, claims to have opened wide new areas of Government purchasing to foreign companies. This offer, however, will not be made to Japan if the U.S. cannot win reciprocity. Mr. Strauss has said that he was willing to present the GATT trade agreements to the Congress without a procurement agreement with Japan, arguing "there are too many good things in our trade package to jeopardise it with something that is patently unfair, like the Japanese proposal on Government procurement."

Meanwhile, the U.S. has also run into resistance from Chinese negotiators on drawing up a textiles trade agreement with Peking, which is now the sixth largest textiles supplier to the U.S. The talks are due to resume in Peking next month. The U.S. Government has assured its textile industry that it will ensure orderly growth in Chinese imports.

New Tokyo tariff cut formula

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

JAPAN is planning to use current *de facto* tariff levels instead of theoretical "GATT rates" as the basis for the tariff cuts it will make after the conclusion of the Tokyo Round of GATT trade negotiations, the Ministry of International Trade and Industry said yesterday.

The change means that Japanese tariffs will start coming down immediately after the GATT package is completed, instead of remaining static for the first three years of the eight-year period within which GATT commitments have to be fulfilled.

The Japanese move would be a "voluntary gesture," not conditional on action of any kind by other trading nations. However Japan would retain the option to switch back to the existing GATT tariff-cutting formula at any time, the Ministry stresses.

Japan originally based its tariff-cutting offer at the talks on GATT "bound rates"—in other words, the rates to which it was committed as a result of the last round of multilateral trade negotiations—not on the actual levels prevailing at the time negotiations began.

The actual level of Japanese tariffs on manufactured products is estimated at around 8 per cent compared with the bound rate of 10 per cent, so that the Japanese offer appeared to be substantially more attractive in theoretical terms than it was in practice.

At the end of the eight-year tariff-cutting period provided for by the GATT agreement, Japanese tariffs will average 5.5 per cent regardless of whichever formula for tariff cutting is adopted.

MITI estimates that the Japanese tariff offer is equivalent to a 49 per cent reduction if the cut is calculated on the basis of the GATT bound rate.

On the basis of actual levels, however, the cut works out at 26.3 per cent. This would place Japan's tariff cut somewhere between those of the U.S. and the EEC in percentage terms, instead of making it appear far more generous than the offers of other parties to the GATT talks.

The U.S. offer, according to Japanese officials, works out at around a 30 per cent cut from current levels, while the EEC is offering to reduce its tariffs by 24 per cent.

In the case of the U.S. and the EEC actual tariff levels are identical to GATT bound tariffs, since neither the U.S. nor Europe have reduced their de facto tariff levels since the completion of the last round of multilateral cuts.

Japan cut its tariffs in advance of the MTN talks as one of a series of measures to "pacify" the U.S. when the bilateral U.S.-Japan trade gap began to get out of control.

MITI officials say that the decision to change the basis for post-GATT tariff cuts has been made in recognition of the fact that Japan's overall trading position is still abnormal—although less so than a year ago. The decision has yet to be approved by the Cabinet and will eventually require Japanese parliamentary approval as well. MITI seems to feel, however, that cabinet backing is assured and that the legislature will eventually pass the necessary legislation though not without a struggle.

Key GATT participants concerned at standstill

BY BRIJ KHINDARIA IN GENEVA

SOME KEY members of the General Agreement on Tariffs and Trade (GATT) have expressed concern that the current standstill in Tokyo Round negotiations between Third World and industrialised countries is serious enough to delay the trade package's implementation.

The standstill has been caused by a movement among developing nations not to sign the final package's various elements before a planned Third World assessment of the package at a UN Conference on Trade and Development (UNCTAD) in Manila next month.

The expressions of concern came at informal talks here earlier this week among a group of 18 key GATT members who were represented by senior officials. The group is not directly involved in the Tokyo Round negotiations.

A consensus within the group is that such informal talks should be held more often, probably at a lower level of representation and a further meeting has been tentatively scheduled for July.

The main concern is now the orientation of GATT.

Developing countries are trying to make GATT more effective in their efforts to obtain a new international economic order suited to their needs. The developed nations see GATT as a technical secretariat whose job is to oversee existing trade accords in an even-handed manner, while offering certain facilities to poorer nations such as technical help in international trade issues.

The group generally agreed that the focus of activities in the near future should be on the completion and implementation of the Tokyo Round. GAT could then turn its attention to some unresolved problems such as industrialised country anxiety about export curbs by raw materials producers and developing nation irritation at the continuing use of import quotas.

Other areas of world trade which could be explored are trade in services, the influence of restricted business practices and of State trading practices, as well as the feasibility of further tariff cut talks among developing countries.

UK-S. Korea credit talks

BY RONALD RICHARDSON IN HONG KONG

BRITAIN AND South Korea are close to agreement over the provision by the British Export Credits Guarantee Department to underwrite up to $500m (£245m) of export finance in the current year.

At the first of two rounds of an annual working-level economic meeting between the two countries, representatives of the South Korean Economic Planning Board presented a list of possible British contracts in five development projects.

They sought assurance from the British delegation, headed by Mr. M. G. Stevens, Under-Secretary of the ECGD, that Government guarantees on finance for the orders would be available should they go to British suppliers. The Koreans also sought improved terms for the loan underwriting, similar to those available to West European countries.

The main contracts being considered for provision of ECGD-backed financing are associated with construction of South Korea's seventh and eighth nuclear power stations, on which preliminary site work has just begun.

Supply of the steam turbines for the plants are likely to go to GEC of Britain at a cost of around $156.4m. Westinghouse of the U.S. is favoured as supplier of the nuclear generators for the plants, which are each to have a rated capacity of 900 kilowatts and are due to be completed in 1986.

Last year GEC gained similar orders for the supply of turbines to the fifth and sixth nuclear plants. The ECGD guaranteed loans of around $130m for the contracts: Westinghouse was the successful bidder for the nuclear package in those projects.

Other possible deals suggested for export finance guarantees are in the telecommunications, petrochemical and motor industries.

Although another meeting of the two sides will be held on Saturday, when a memorandum covering the ECGD offers will be finalised, it is understood that the list of projects suggested was largely acceptable to the British officials.

Good start for French car industry

By Terry Dodsworth in Paris

PRODUCTION, SALES and exports of the French car manufacturers all continued to rise steadily last month, setting the industry off to an encouraging first quarter start to 1979.

But the manufacturers' association warned yesterday against over-optimism this early in the year, saying the first three months compare with a period last year when demand was depressed in the run-up to the general elections.

Nevertheless, the rise in registrations by 7.4 per cent to 199,700 units last month seems to have surprised producers, and in the year so far sales in France have gone up by 10.3 per cent to 518,500 vehicles.

Exports appear to be on the rising trend, going up by 7.4 per cent (164,700 units) last month against a three-monthly average of 4.6 per cent (448,000). The March figure was a record for the industry.

On the production side the industry has set off at a rate which, if sustained, would mean an output of more than 3.5m vehicles this year. Last month production rose by 3.8 per cent to 308,000 vehicles, and in the first quarter it has gone up by 3.5 per cent to 875,000 units. The manufacturers' association says that its members intend to maintain this rate of expansion.

Nordic newsprint makers to seek UK price rise

BY MAX WILKINSON

SCANDINAVIAN newsprint manufacturers are expected to ask for a two-stage price increase totalling a little over £40 a tonne when they meet UK newsprint users early next month.

The larger part of the increase would probably be applied in October. However, the manufacturing companies are seeking more immediate relief from a currency clause which they negotiated in 1977 and which has since turned out to be unexpectedly disadvantageous to them.

The currency clause was originally intended to protect manufacturers against a fall in the value of the pound against the dollar. It provided for a price adjustment of £1.30 per tonne for every cent change in the value of the pound from a base of $1.75.

The subsequent weakening of the dollar has meant that manufacturers are now having to give a price rebate of around £30 a tonne because of this currency clause.

Scandinavian producers will also put forward two further arguments for a price increase. First they will say that the recent rise in oil prices has increased their costs. Energy costs account for perhaps 15 per cent of the cost of newsprint production. However, if the energy used in pulping and ancillary activities is included, it is estimated that total energy could account for perhaps 25 per cent of final costs.

Dr. Ingram Lenton, managing director of Bowater (UK), said yesterday that he estimated that the increased energy costs would add about £20 a tonne to the Scandinavian production costs.

Secondly, the Scandinavians will argue that newsprint prices are much lower in the UK than elsewhere in Europe, mainly because of the effect of Canadian imports, which have depressed prices. The current price in Germany is about £60 a tonne higher, and in France £40 per tonne higher, than in the UK.

In January the price of 45 gramme newsprint rose £22.5 to £276.5 per tonne. The price of 48.8 gramme quality rose from £235 to £255 per tonne.

At current prices UK mills can barely break even, while Scandinavian mills have a slim profit margin. North American mills, using much cheaper wood supplies, can, however, make handsome profits at these prices.

Volvo to produce trucks in Brazil

BY JOHN WALKER IN STOCKHOLM

VOLVO, the Swedish car and truck manufacturer, is to set up a plant at Curitiba, Brazil, for the production of trucks and buses.

The $134m (£65m) venture will be the first in the Brazilian automotive industry to have a majority of the voting share capital locally owned.

The new company, Volvo do Brasil Motores e Veiculos, will manufacture 3,500 trucks and 1,000 bus chassis and an additional 4,200 machined engine blocks a year when it reaches full capacity. Bus production is to start later this year, a Volvo official said, with truck production commencing in 1980. The project is expected to create 1,000 jobs and generate secondary employment for 4,000 workers in associated industries.

Air Afrique orders three Airbuses

PARIS—Airbus Industrie, the European consortium which makes the Airbus medium-range jumbo airliner, said yesterday the African airline Air Afrique has placed a firm order for three aircraft.

The order involves two A-310 versions of the Airbus and one A-300. Air Afrique will operate the A-300 on its Paris-Dakar routes and the two A-310s on its coastal routes.

Total orders for Airbuses now stand at 283 aircraft, of which 93 are options.

AP-DJ

March fall in HK deficit

HONG KONG—Hong Kong's visible trade deficit fell to HK$1.11bn (£112.6m) in March from HK$1.87bn in February, compared with HK$1.04bn in March last year, according to government figures.

Domestic exports rose to HK$3.81bn from HK2.43bn in February and HK$2.86bn in March last year while re-exports advanced to HK$1.56bn (compared with HK$1.30bn and HK$937m in March last year).

Imports rose to HK$6.48bn from HK$5.60bn in February and HK4.88bn in March 1978.

The figures brought the deficit for the first quarter of this year to HK$3.23bn up from a HK$2.73bn deficit in the same 1978 period.

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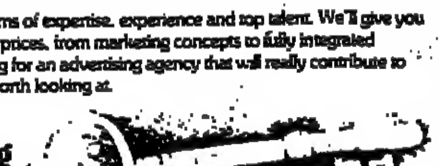

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Court action starts over collapse of Ronan Point

BY MICHAEL CASSELL

A HIGH COURT action began yesterday against the Taylor Woodrow subsidiary responsible for the construction of the Ronan Point tower block in East London, which collapsed 11 years ago with the loss of four lives.

Newham Council, in an action likely to last three months, is seeking a declaration that Taylor Woodrow Anglian was responsible for the cost of repairing the tower block and strengthening eight other blocks built by them in the Borough.

The Ronan Point collapse happened in the early morning of May 16, 1968, when a gas explosion blew out the walls of a flat on the 18th floor. The sitting-rooms of 17 flats underneath fell to the ground.

In addition to the four deaths, 13 people were injured and 250 were evacuated. The incident sparked a nation-wide check on similar structures and helped trigger off the debate on the suitability of high-rise residential developments.

In the High Court yesterday, Mr. Gerald Moriarty, QC, told Mr. Justice O'Connor that the council alleged breach of contract or, alternatively, negligence, by Taylor Woodrow. *The company denied liability.*

Mr. Moriarty said Ronan Point and the other blocks were constructed in pre-cast units an dthe main issue was why the twer partially collapsed.

It had been agreed that the report of an inquiry set up after the disaster should be treated as evidence, though he stressed that it had not "pointed the finger of blame at anyone."

The court heard that Ronan Point and other blocks had been repaired or strengthened by Taylor Woodrow without prejudice to their denial of responsibility. Mr. Moriarty said the council's case was that the codes of building practice had not been complied with.

If they had been, he claimed, a structure above a damaged area would hold together enough to provide a cantilever and structure below damaged area would retain its stability.

The case continues today.

Threat to stockbroking jobs

BY NICHOLAS COLCHESTER

THE MICRO-CIRCUIT and other new technology could threaten 30 per cent of the jobs in the British stockbroking business unless there is a recovery in business volume, according to a report on the impact of technology on stockbroking.

The study was commissioned and published by the Stock Exchange. In it, Mr. Michael Josephs, a former Stock Exchange executive who is now a management consultant, says 5,000 Stock Exchange jobs would be lost over a number of years and this "loses some of its drama" when compared with the drastic shake-out of 20,000 jobs during 1972 and 1975. He says there is considerable scope for winning back private clients to the Stock Exchange if "the right services are offered at the right price."

The report describes the bewildering scale of the technological change which the entire securities business faces. It says that Stock Exchange firms will have to make an "early decision" as to what role they expect the Stock Exchange council to play in planning the introduction of new technology. They will have to do this when their profitability is depressed by severely reduced turnover in British company securities. The council, too, will have to decide whether it should direct, or merely watch over, technological change, and to make sure that its regulatory powers remain intact.

The report sees a "gradual transformation of the trading floor from a physical entity to an electronic trading system," with fewer dealers on the broking side, fewer dealers and clerks on the jobbing side, and the emergence of substantial regulatory problems for the Stock Exchange.

The report deals with many other areas of the stockbroking business and raises the following possibilities:

Fund management: portfolios might be stored in data banks and managed directly by keyboard from a stock broker's office. There would be a phasing out of stock certificates for such funds.

Research: the development of standard terminal would give a stockbroker a "universal window" on to all available data banks and investment analysis programmes.

Private clients: a system might be developed allowing the broker to execute transactions, while the client is on the telephone.

Settlement and accounting: there will be further reductions in paper work, extending the advantages of Talisman to clients.

Corporate finance: new communications systems will allow the stockbroker to keep in closer touch with clients.

The report is very critical of the ability of the Post Office to control the pace at which new communications technology develops. "The continuation of these policies is calculated to ensure that our communications and services develop with the form and at the pace which suits the Post Office technicians rather than the users of these services," it says. The answer is greater freedom to attach devices to Post Office lines.

The Stock Exchange needs a more "deliberate and more visible commitment" to long-term technical planning, says Josephs. This will incur a price in valuable manpower, but it urges that it be paid. "It would be wrong to infer that the situation is so complex that it is best to do nothing until matters clarify."

● *Technology and the Future of Stockbroking, £32; distributed by Michael Josephs and Associates, 12, Totnes Walk, London, N2.*

Enterprise Board faces injunction

BY MAX WILKINSON

A HIGH COURT injunction was being sought yesterday against the National Enterprise Board to prevent it forming a joint venture between its subsidiary, Data Recording Instruments (DRI) and the U.S. company Control Data Corporation (CDC).

Grundy of Teddington which sought the injunction, formed DRI in the early 1960s to make disc drives for computer data storage. It still has a minority stake in DRI.

The NEB has been considering for some time whether DRI needed to form a link with a larger U.S. company to gain access to know-how and to the U.S. market.

Grundy strongly opposed the plan on the grounds that it was not in the best interests of DRI, but its objections were over-ruled by the NEB.

DRI made a profit of £310,000 last year on sales of £12.01m. It currently employs 1,184 and is engaged in what the NEB calls a "major expansion."

In its annual report, the NEB says: "Competitive pressures from abroad are increasing and it is essential to achieve economies of scale to compete effectively."

DRI has a good reputation for making a well engineered product in the medium size range of disc drives. It is the only UK-owned computer peripherals manufacturer of significant size.

Merrett to give up Sasse management

BY JOHN MOORE

MERRETT DIXEY Syndicates, the Lloyd's of London underwriting agent, is planning to give up management of the Sasse syndicate, which it took over when Sasse ran into trouble.

Mr. Stephen Merrett, chairman of Merrett Dixey, said last night: "We do not think the Committee of Lloyd's is taking appropriate action with regard to the affairs of the syndicate."

Merrett Dixey took over the management of the syndicate in May last year at the request of the Committee of Lloyd's. Merrett subsequently found that the syndicate was facing likely losses of £13.6m and that the syndicate's accounts had been *seriously mis-stated.*

Merrett's surprise move will have come as a shock to the Lloyd's committee, which could have some difficulty in finding a replacement for the Merrett Dixey management.

Mr. Stephen Merrett told the 110-members of the syndicate of his intention at a two and a-half hour meeting at Lloyd's, at which Lloyd's chairman, Mr. Ian Findlay, was present.

Mr. Merrett and the members of the syndicate are dissatisfied with the limited aid that Lloyd's has given so far to help meet the syndicate's massive losses.

Because both he and the members of the syndicate claim that a number of Lloyd's internal safeguards had failed in the events which led up to the £13.6m loss, it was felt that Lloyd's should offer more help than the loan facility of £7m so far granted.

Lloyd's did offer some further help to the members at yesterday's meeting but not enough to satisfy many of those present. Lloyd's is to stand guarantor for the members to help them pass the audit.

The £7m loan can now be used to pay claims falling on the syndicate, rather than to help the members pass the audit.

At the same time, the Lloyd's agents who introduced the members of the syndicate, have agreed to pay the interest on any part of the £7m loan taken up, and the commitment fee for its arrangement. This will be by way of a gift to the members they introduced to the syndicate.

Lloyd's has arranged that any member of the syndicate who defaults can remain a member of Lloyd's until the end of the year, although he would not be able to underwrite on other syndicates.

Consumer groups strive to revitalise co-ops

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

THE LONDON Co-operative Society, the largest co-op retailer in the UK, yesterday became the first target of a campaign by consumer groups to revitalise the co-operative movement in Britain.

The campaign is being co-ordinated by the Mutual Aid Centre, headed by Lord Young of Dartington, and seeks to get consumer activists elected to the governing bodies of retail co-op societies.

The centre was set up just over a year ago by Lord Young to encourage and promote small-scale co-operation among consumers. He was previously a founder of the Consumers' Association as well as first chairman of the National Consumer Council.

In a book published yesterday to coincide with the launch of the campaign, Lord Young and Marianne Rigge, director of the centre, suggest that the "undeniably drab image" of the co-ops could be changed by an influx of new ideas. "Our central plea is for a marriage between the new consumer movement and the old," they say.

This could be most quickly achieved by consumer activists being elected to the boards of retail societies. The authors point out that only just over 2,000 members of the 1m-strong London Co-op bothered to vote in last year's election, a participation rate of only 0.2 per cent.

Voting for new LCS board members started this week with voting in the shops on May 5. The Co-operative Consumer Campaign is supporting three candidates and intends to sponsor others at elections in other societies.

The "manifesto" on which the consumer candidates are standing includes an eight-point plan for reviving the Co-op as a High Street retailer. The plan would:

Ensure that the boards of directors concentrate on policy-making and leave day-to-day management to the people running the stores, instead of interfering in trivial details.

Raise the capital needed to modernise and build stores by offering bonds to members at attractive rates and advertising them in every store.

Improve management by recruiting from outside as well as within.

Overhaul the buying system and making more use of CWS buying facilities. Societies could also work together and establish joint buying ventures.

Focus advertising more to emphasise the co-ops' price advantage on some goods. The LCS, for example, is said to be one of the cheapest shops in the High Street for alcoholic drinks. "People do not know because they have not been told."

Experiment with cash-and-carry co-ops, selling a limited range of goods in bulk, to encourage the growth of neighbourhood bulk-buying groups.

Giving shoppers and members more information of a kind that would be considered unbusinesslike in conventional stores, such as comparative product information; and

Consult members more effectively by, for example, placing suggestion boxes at every check-out and offering prizes for the best suggestion each month.

The campaign also aims to secure greater consumer representation in building societies and pension funds, which "have become mockeries of democratic principles."

● *Mutual Aid in a Selfish Society, by Michael Young and Marianne Rigge (Mutual Aid Press, Mutual Aid Centre, 18 Victoria Park Square, London, E2. £1 including postage).*

Iranian revolution cuts prices

SALEROOM

BY ANTONY THORNCROFT

SOTHEBY'S continued its week of Islamic sales yesterday with an auction of rugs and carpets which brought in £566,875. The three top lots all sold within their forecast, but there had perhaps been a modest reduction in estimates since recent events in Iran. Even so demand was quite good, reflecting the lack of carpets being exported from Iran.

Iranian buyers were much in evidence.

The top price was £25,000, plus 10.8 per cent buyer's premium and VAT, for a modern Tabriz carpet. A large carpet from the same source went for £15,500, and a third for £14,000.

The effects of the Iranian revolution were more apparent in the coin sale, and modern coins were particularly depressed.

A good top price, £3,000, was paid by an English collector for a gold tremissis from North Africa, AD 704-715, bearing a Roman legend. The sale totalled £56,490.

Sotheby's has just completed a series of sales at Scone Palace, near Perth. The total was £224,108, and the top prices £8,200 by Pettigrew and Mail, Glasgow dealers, for "Geisha Girls in a Japanese Garden," dated 1922, by Edward Hornel; £5,500 from the same dealers for "The Lar's Song," same artist; and £6,000 for "Peregrine Falcon with a Ptarmigan," by Richard Ansell.

Jewels brought in £232,905 at Christie's, with best prices of £14,000 for a butterfly brooch, the wings set with rubies, emeralds and diamonds, and £12,000 for a flexible diamond bracelet. Seymour, the London dealer, gave £12,000 for an antique emerald and diamond brooch pendant.

In a Bonham's textile sale a record auction price of £110 was paid for a bobbin. It carries the legend "William Bull hung 1871" and refers to a famous murder case of the time, at Bedford.

A Lalique enamelled gold necklace with matching earrines sold for £8,200 at Sotheby's, Belgravia. A large bronze and ivory Chiparus figure of a dancing girl went for £3,600 in a decorative arts auction which brought in £113,800.

Crime writer's £8,762 will

Edgar Lustgarten, the writer and broadcaster on murder trials, left £8,762 gross, £7,957 net, in his will published yesterday.

Mr. Lustgarten, of Regents Park, London, died last December, aged 71. He left £2,000 to animal charities and Dr. Barnardo's.

Large accounting companies 'a danger to the profession'

BY DAVID FREUD

THE DOMINANCE of the major accounting companies represented a danger to the profession as a whole, Mr. Edmund Gibbs, president of the Association of Certified Accountants, said yesterday.

Mr. Gibbs, presenting the association's annual report in London, underlined two areas of concern — the production of accounting standards and government control.

He said: "Governments are concerned, and in many cases for good reasons, with major international companies, many of which have become or are becoming more powerful than governments themselves. It follows quite logically that governments are therefore concerned with those who audit these companies."

The danger was that as the major accounting companies had become more international themselves and fewer in numbers by mergers between themselves, they too had become prime targets for Government control.

Mr. Gibbs also believed that "these ten or so firms dominate the production of accounting and auditing standards, which are becoming more directed towards the needs of the larger firms than the needs of the profession as a whole."

It was becoming a matter of urgency that the balance between the major companies and the smaller ones, which tend to audit smaller businesses, and non-practising accountants, was redressed.

"We in the association who represent the smaller firms and the non-practising accountants are perhaps more alert to this danger than others," he said.

Banking practice issue in case

BY JAMES BARTHOLOMEW

THE IMPORTANT banking practice case between Williams and Glyn's Bank and Mr. Derek Barnes, former chairman and managing director of Northern Developments, the housebuilding company, began yesterday in the High Court.

The case raises the question whether banks can always rightfully demand immediate repayment of overdrafts, or whether their implicit treatment of a customer can lead him to expect notice. The outcome could be of considerable significance for UK banking practice.

Opening for Williams and Glyn's, Mr. Peter Webster, QC, said that the bank was suing for repayment from Mr. Barnes of £1.79m in principal and interest. The amount consisted of £1m lent to Mr. Barnes in October, 1972, to enable him to buy shares in his own company, Northern Developments, £100,000 lent in September, 1974, for his personal use: and the accrued interest on these amounts.

Mr. Webster said he expected the defence to be that the loans were not yet repayable and that Mr. Barnes was unable to repay them because of breaches of duty by the bank. At least 20 main issues were to be put before the court, he said.

Mr. Barnes is expected to counter-claim that the bank prevented him from repaying the main loan by damaging the assets which it financed, the shares in Northern Developments. The bank is alleged to have rendered these shares valueless by its treatment of the company. Mr. Barnes is claiming damages amounting at least to the value, of his shares, which were once worth more than £30m.

Part of the harm inflicted, according to Mr. Barnes, is the bank's alleged breach of an implied term of its lending, namely that it would continue to finance the company's expansion unless it gave 12 months' notice. The implied term is alleged to have arisen out of the bank's financing of Northern Developments' rapid expansion from 1965 to 1973.

Mr. Barnes said yesterday that he was glad the case had come to court at last so that he could justify himself. He said it could be very significant for the 3,500 creditors and 5,000 shareholders of the now-liquidated building company. The case is before Mr. Justice Gibson.

'Guarantee oil supplies' call by Braithwaite

BY SUE CAMERON

FOREIGN COMPANIES should be given guaranteed supplies of North Sea oil and gas in return for investing in the British petrochemicals industry, Mr. Franklin Braithwaite, president of the Process Plant Association, said last night.

Mr. Braithwaite, speaking at the association's annual dinner, said North Sea oil supplies could be used as "a powerful bargaining counter" to attract foreign investment in UK plastics production and allied petrochemical sectors. He added this was particularly the case with countries such as Germany which had little oil of its own.

Mr. Braithwaite pointed out that UK petrochemical concerns had invested "proportionately far more outside the UK" than other European companies had invested outside their domestic markets. He stressed that U.S. petrochemical groups had located only 30 per cent of their European capacity in the UK while 47 per cent of Europe's ethylene capacity was sited in the Low Countries and in Germany but only 12 per cent in Britain.

Singapore hits cheap flights

By Michael Donne, Aerospace Correspondent

A STRONG attack on the new cheap flights between Britain and Australia has been launched by Singapore Airlines, supported by the Singapore Government.

It says that these remove the chance of passengers stopping off en route in Singapore, thus threatening that country's tourist trade.

Singapore Airlines points out these cheap fares, introduced earlier this year by British Airways and Qantas, cater only for passengers "visiting friends and relatives."

"Secondly, Singapore Airlines has invested vast sums of money in promoting a Singapore stopover holiday, thereby inviting passengers to enjoy a taste of the Orient while travelling from the UK to Australia.

"Finally, it may not be realised that the Australian Department of Transport has recommended substantially higher first and economy-class fares for the businessman who may need to break the journey at various points for business reasons."

Singapore Airlines says that the airlines of the Association of South-East Asian Nations want four things:

"The first is access to the Australia-Europe traffic, which their airlines have already built up.

"Secondly, they want a reasonably-priced stopover fare that will allow travellers to break their journeys in Singapore, Kuala Lumpur, Jakarta, Manila or Bangkok on the way to and from London.

"Thirdly, they want a competitive fare between Australia and the ASEAN countries comparable with the present Australia-Europe fare on a seat-kilometre basis.

"Fourthly, they do not want the number of flights that they have built up by offering superior service to Australian travellers to be cut back in the interests of protecting Qantas and its 'duopolist' partner airline (British Airways). The frequency of service is a most important factor in a competitive market."

Singapore Airlines claims that British Airways and Qantas are indulging in protectionism in international civil aviation.

ICI to cut 750 jobs in plastics division over next four years

BY SUE CAMERON, CHEMICALS CORRESPONDENT

IMPERIAL Chemical Industries is planning to cut its 10,000 strong plastics division workforce by some 750 over the next three or four years.

The group has warned weekly paid staff that its plastics business "cannot survive" in the long term without a cut in jobs and next Tuesday Mr. Charles Vowles, chairman of the division, is to deliver the same message to salaried employees.

But yesterday, ICI stressed that the planned 2 per cent a year cut in jobs would be carried out entirely through natural wastage. It added that the annual reduction in the plastics division workforce would continue "for the foreseeable future."

It is thought that most of the job reductions will be made from the 4,000 monthly paid staff, most of whom are based at ICI's plastics division headquarters in Welwyn Garden City. The division has plants in various other parts of the UK including Dumfries, Teesside, Runcorn and Stevenage.

Mr. Vowles has told employees that the division's ratio of staff to sales must be reduced and brought into line with those of its foreign competitors. He added that the cost cuts which could be made without affecting staff were "limited." But costs would have to be reduced because the plastics division was falling "far short" of the profitability needed to support investment in new plant.

"All the evidence shows that in a number of areas of our operations we employ more people per unit of output than do our competitors and they are not standing still," Mr. Vowles said. "In the long run, this division cannot survive, let alone prosper, if this situation continues. We must get our sales/employee ratio into line with those of our more efficient Continental and US. competitors."

The plastics industry throughout Europe has been suffering from low prices and overcapacity for some years. In the last few months ICI has put up the prices of its plastics and Mr. Vowles said these increases has been successful and should open the way for further price rises.

He stressed that although successful, price increases would improve the picture considerably for the plastics division, they could not on their own raise profitability to an acceptable level.

Textiles committee chairman named

BY RHYS DAVID

THE NEW Economic Development Committee covering the Lancashire textile industry will have Mr. William Barnes, a director of Carrington Viyella, as its first chairman.

A joint management-union case for setting up a committee to cover the sector, which employs 70,000 people in spinning, weaving and finishing for a variety of textiles, was presented last year.

On April 30, 13 Northern local authorities in Lancashire and Yorkshire will be presenting their case to officials of the European Commission in Brussels.

The local authorities, which have had previous meetings with EEC officials, will be making eight proposals to help secure jobs in the textile industry. These are:

● Renewal of the GATT multi-fibre arrangement after 1981 to regulate textile trading.

● Stricter anti-dumping measures.

● Tight limitations on outward processing (export of cloth for re-import as garments).

● Special transitional arrangements for the three EEC applicants—Greece, Spain and Portugal—to avoid a sudden impact on the UK textile industry.

● Guarantees that EEC textile exporters will not be at a disadvantage to the U.S. in the GATT Tokyo Round.

● A reduction in the level of textile imports from China now being proposed.

● Stricter monitoring of imports from the EEC's Mediterranean associates.

● Ceasing to use textiles imports as a bargaining counter in international trade to secure higher exports of products.

UK executive pay lower than in most countries

BY JASON CRISP

SALARIES of top British executives have fallen behind those of senior managers in most other countries, apart from the U.S. where, by comparison, the UK executive has gained slightly.

The survey, by Towers Perrin Forster and Crosby, a firm of management consultants, found that over the past two years salaries of chief executives in Germany, Belgium and Holland have surged ahead of their U.S. counterparts.

In seven of the 12 countries examined at least two of the four jobs surveyed—chief executive and directors of finance, marketing and personnel—were higher paid than those in the U.S. Two years ago only five countries had one of the four jobs that were higher paid than the U.S., says the report. The change is blamed on the decline of the dollar.

By comparison with other industrialised countries the UK executive appears to fare badly. Of 12 countries surveyed the Mexican chief executive was the only one found to earn less than his UK equivalent. However, these are base salary indices excluding both taxation and differences in cost of living.

Similarly, a comparison of average hourly earnings puts the UK low in the league tables, although above France, Italy, Spain and Mexico.

The average effective tax rate in the UK is second only to Sweden according to the survey. The British executive earning the equivalent of $30,000 loses an average of 35 per cent of his income in taxes and social security deductions. The comparative figure for France is 9 per cent, for Belgium 34 per cent and for the U.S. 13 per cent.

The best countries to be fired in, according to the survey are Belgium, Spain and Italy. In Spain, for someone with an annual income of $45,000 the typical termination payment would be equivalent to three years' pay. In the U.S. the typical figure for someone on that salary would only be half annual salary.

In the UK termination pay for someone on $45,000 (£23,000) is one year's salary but that falls to only a half for someone earning the equivalent of $10,000 (£5,000).

● *Worldwide Total Remuneration, by Towers Perrin Forster and Crosby, 110, Jermyn Street, London, S.W.1.*

Thatcher sees 'union threat to end British democracy'

BY JOHN HUNT

MRS. MARGARET THATCHER, the Conservative leader, yesterday hit back at trade union leaders who have been warning that a Tory election victory will bring industrial strife.

She challenged them to say whether or not they were trying to deny the right of British people to elect their own Government.

If so, she predicted "it will be the end of Britain as a democracy."

The escalation on the industrial relations front results from a series of statements from union leaders culminating in attacks made on Sunday by Mr. Mick McGahey, the Communist who is leader of the Scottish miners, and by Mr. Moss Evans, General Secretary of the Transport and General Workers Union.

Mr. McGahey alleged that Mrs. Thatcher (right) is a vengeful person who would seek to attack the miners in revenge for the Tory defeat in 1974.

He claimed that industry would become a "bloody battleground" under a Conservative government.

Mr. Evans had predicted difficulties ahead under the Tories, as their proposals would mean chaos.

Addressing her remarks to them yesterday, Mrs. Thatcher declared "I must throw out a challenge. Are you saying that this general election is a mockery and a sham because you have already said who you would stand with?

"Are you saying you totally and utterly deny the right of the British people to elect a Government?"

She added, however, that she believed that if a Conservative Government is elected, the union leaders would come out on the side of democracy.

The Conservative leader, who was being interviewed on the Jimmy Young show on BBC radio, defended her belief in capital punishment.

"This is not a question of votes, it is a question of my deep belief," she said. "I think the vast majority of people in this country would like to see the death penalty restored."

After the election, she said, the Tories intended to turn the country in a different direction but she cautioned that it would be impossible to do anything "at a stroke."

Mr. Angus Maude, deputy chairman of the Conservative Party, also took up the theme of the Tories and the unions.

He listed 12 statements that Labour politicians had made about the Tories. Each of them was a flat lie, he said.

One of them was a statement made by Mr. John Grant, the Under-Secretary for Employment, in which he said: "Every Tory candidate has been advised from Central Office to lose no opportunity to clobber the unions at the hustings."

Ashley Ashwood

Low-paid most in favour of tax cuts

By David Freud

THE strongest support for tax cuts in the UK comes from the poorer sections of the community, a survey released yesterday reveals.

In sharp contrast, the survey found an absolute majority of the better-off against tax reduction if this meant public services might have to be cut.

The findings are the reverse of the widespread assumption that the most highly taxed would be most in favour of tax cuts, while the least taxed would find them less attractive.

They vindicate the Tory decision to fight the election on a simple tax-cutting platform—a theme likely to appeal most successfully to people to whom Labour has traditionally looked for support.

The survey was carried out by NOP Market Research last November on behalf of the independent Institute of Economic Affairs.

The tax findings, which have been collated before other parts of the survey, were released through the newly-formed pressure group called CUT, the Taxpayers' Union.

The survey found that 59 per cent would be in favour of a referendum on reducing tax to a maximum proportion or limit, while 22 per cent were against and 19 per cent didn't know.

If there was such a vote, a huge majority would be in favour of a limit—57 per cent compared with 15 per cent against.

However, when people were asked whether they would support the limit if this might result in public service cuts, only 33 per cent were in favour. A total of 27 per cent were against, while 40 per cent were undecided or would not vote.

A breakdown showed that in socio-economic groups AB, 51 per cent of those who would vote were against tax cuts. In the DE group, only 39 per cent were against, while 45 per cent of C's would oppose cuts.

Unsurprisingly, there was a more positive response to the possibility of tax cuts when there was no reference to a possible corresponding reduction in services.

Conservatives ready to declare war on lawlessness

THE RISE in lawlessness in Britain was casting a shadow over the whole population, Mrs. Margaret Thatcher, the Conservative leader, said in Edinburgh last night.

The first responsibility of any government in a free society was to protect the most basic of freedoms, the right of every citizen to go about his or her business without fear.

Yet in many parts of the country, including Scotland, people were acutely worried about the crime wave and thuggery, she said.

"I give you this assurance: under a Conservative Government there will be no neutrality in the war against crime. There will be no resting in the task of making Britain safe again.

"With a Conservative Government, the maintenance of public order and the protection of the law-abiding citizen will be paramount.

"The challenge that the vandal and the hooligan pose to the civilised standards on which all depends will be met and repulsed with the utmost determination," declared Mrs. Thatcher.

She also attacked the Government for its record on jobs. Unemployment had more than doubled in the five years that Labour had been in power.

Why did Mr. Callaghan think he could succeed in reducing the level of unemployment in the next five years when he could not do it in the last five?

If he had a plan for cutting unemployment now, why had he not put it into operation before now?

Labour talked of inflation being conquered, but prices were even now going up at almost 10 per cent a year.

People had a right to know what, if anything, Labour intended to do about it.

They could not be relying on the Price Commission or the Prices Secretary, because under them prices had more than doubled.

Under Labour, Mrs. Thatcher added, Britain had done worse in the inflation stakes than any other major country except Italy and Spain.

The honest way to tackle rising prices was to go to the root of the problem.

Government borrowing and State spending had to be cut and output must be expanded by cutting tax to provide incentives and encourage competition as the way to keep down prices.

Inflation attack

BY PAUL TAYLOR

MRS. THATCHER continued to develop the election theme of food prices yesterday, attacking Labour's record on inflation—but refusing to set her own inflation target.

She said at the Conservative Press conference in London that she did not accept figures produced by Labour on the effect of further devaluation of the green pound—a measure the Tories favour to enable British agriculture to compete on equal terms with the European Community.

Instead, she turned on the Government's record on food prices over the past five years and set out the effects of "another five years of hard Labour" on the price of three shopping basket items: bread, butter and beef.

On the basis of an annual rate of 10 per cent inflation, Mrs. Thatcher warned that after another five years of Labour in Government, bread would rise from 28p to 45p, a pound of butter would increase from 68p to £1.09 and beef would rise from £1.46 a pound to £2.36.

She hoped these figures would introduce "a little more realism in the prices debate."

When asked what inflation target the Tories would set, she said: "I do not have targets. Labour had targets but it also had the worst record on prices since records were first kept."

Pressed on the likelihood of a Conservative Government introducing a wages freeze, Mrs. Thatcher said that "no responsible Government could rule out the possibility."

Sir Geoffrey Howe repeated his predictions about the cost of the "57 spending proposals" in the Labour manifesto.

Lib-Con pact 'no threat to Callaghan'

MR. CALLAGHAN has nothing to fear from the Lib-Con pact forged in his Cardiff South East constituency, according to an opinion poll published yesterday.

The poll, carried out for the Western Mail newspaper, shows a sharp drop in Liberal support compared with October 1974, but only a 13 per cent swing from the Liberals to the Conservatives—nothing like enough to unseat the Prime Minister, who is defending a majority of 10,356.

Mr. Callaghan himself, the poll suggests, should benefit from a 9 per cent swing from Liberal to Labour.

Sampling was carried out shortly before this week's surprise decision of Mr. Christopher Bailey, the prospective Liberal candidate, to stand down in support of the Tory candidate.

THE NATIONAL League of Young Liberals have challenged Mr. Callaghan, Mrs. Thatcher and Mr. Steel, to take up the "youth issues" which they have so far ignored in the election campaign.

The Young Conservatives and Labour Party Young Socialists refused to act as signatories to the telegrammes to the party leaders.

THE local elections, which have been almost submerged by the general election campaign, were brought to the fore yesterday by Mr. Frank Allaun, chairman of the Labour Party.

He predicted that Labour will make "sweeping municipal gains" when voting takes place on May 3, the same day as the general election.

THE Social Democratic Alliance, a right-wing pressure group of Labour Party members, yesterday threatened to appeal to voters not to back any of 59 Labour candidates who, they alleged, were "extremists."

The Alliance complained that Mr. Callaghan and Mrs. Shirley Williams, the Education Secretary, had not replied to letters asking them to "head off the left-wing threat" before polling day.

Lord Home calls for reform

LORD HOME, the former Conservative Prime Minister and a respected elder statesman in the party, last night joined in the controversy over the Tory proposals for union reform.

He told a meeting in Greenwich that there was a clear place for trade unions in Britain. But when they abused their power the public would insist on action.

"They have a right to do so because they are the victims," he maintained.

There had been some "shrill criticism" of the Conservative proposals to curb abuse but, he asked, who would vote for a situation in which unions could deprive an individual of his job?

"Whenever in British history any section of the community has tried to use excessive power the public has insisted that they are brought within the law," he added. "They will do so now."

Union laws 'would harm work relations'

BY IVOR OWEN

IF A Conservative government were to bring in new laws on trade unions, industrial relations would worsen, the Prime Minister told a Labour rally in Redditch last night.

"I am a firm believer that voluntary co-operation in industrial matters between both sides of industry is far better than the law, provided each side acts responsibly and keeps to its agreements," he declared.

Mr. Callaghan strongly criticised Mrs. Margaret Thatcher for labelling trade unionists as "extremists."

There were 12m working men and women in trade unions, he said, and it was wrong to tar them all with the same brush. "They are overwhelmingly reasonable, sensible, hard-working people, and we must treat them in that way."

The Prime Minister maintained that the best way to guarantee peace at work and save the public from disruption was through voluntary consent by all those involved.

Therefore, the Government had entered a new agreement with the TUC. Therefore, also, the TUC had issued new guidance to trade unionists about the conduct of industrial relations.

Mr. Callaghan contended that industrial relations was one of the key issues on which the nation faced a clear choice.

"Either we carry forward voluntarily the task of making sure that the unions accept this new framework and that their members practise it or, as the Conservatives propose, this attempt at a voluntary code should be abandoned and a new effort made to legislate on these matters."

He had no doubt that new legislation would have the same ill effects as that introduced by the Heath Government and risk setting back industrial peace.

Steel sets out pact conditions

By Maurice Samuelson

REFORM OF the electoral system based on proportional representation would be an "absolute condition" for a pact between the Liberals and another party in the next Parliament, Mr. David Steel said yesterday at his daily Press conference.

It would end the "unfair winner takes all" system which enables a party with only 29 per cent of the electorate behind it to acquire a parliamentary majority and to claim a mandate for its extremist policies, he said.

Mr. Steel denied that by stressing such a traditional Liberal theme, he was hedging his bet against a possible failure to win the influential wedge of MPs capable of holding the balance.

Following his tour of Scotland, he remained confident that the Liberals would win between 20 and 50 seats.

Labour hold on Bristol threatened

BY RUPERT CORNWELL

"IT'S NOT like it was," said Mr. Victor Jackson, Labour agent in Bristol and a paid-up member of the party for 54 years. "In those days, the kids used to beat dustbin lids, marching up the street and chanting Vote Vote Vote."

The nearest a notably unruffled Bristol gets to that sort of thing in this drab election campaign is the homemade crow's nest which Mr. Tony Benn, former Technology Minister, has rigged up on the roof of his car to ensure maximum exposure to his constituents in Bristol South East.

Still, Labour hasn't done so badly over the years. Four of the city's five seats were in its hands during the last Parliament—five out of six if you count the suburban constituency of Kingswood.

Barring disaster it will retain three this time. The Tories absolutely have to win the other two if Mrs. Thatcher is to move to Downing Street.

The place itself is a political oddity. In a sense, it is Labour's one real stronghold in the South-west: but to what extent is Bristol of the South-west at all?

John Betjeman once called it "the most beautiful, interesting and distinguished city in England." It is indeed beautiful and interesting, an architectural hotch-potch created over eight centuries, thick with relics of the age of tobacco, wine and slave-trading, which made the port's wealth.

The prosperity is still there, though unemployment has just about caught up with the national average. Today's Bristol is an amalgam, part an industrial appendage of the Midlands, and part elegant 18th century watering-hole and university city. The latter, centred on the exquisite Clifton district perched above the Avon gorge, votes Conservative.

From Brunel's suspension bridge, you can survey the other Bristol, of sprawling industrial estates and tight-packed housing, now represented in Parliament by Bristol's one current political superstar, Mr. Benn, who inherited his seat in 1950 from Stafford Cripps.

Some predict that the city may acquire another superstar. Standing for the Tories in their one safe seat of Bristol West is Mr. William Waldegrave, 32, one of the brightest of the bright young Tory things.

His book on Conservatism, The Binding of Leviathan, moved the Daily Telegraph to herald a work "of rare intellectual distinction."

Despite a strong Liberal presence (11,598 votes in October, 1974), Mr. Waldegrave looks a certain winner. The women of Bristol West clearly adore him, and the politics of the student community, strongly represented in the constituency, have shifted to the Right.

Labour's equivalent cast-iron seat is that of Bristol South, held by Mr. Michael Cocks, chief whip in the out-going Labour Cabinet, who is defending a majority of almost 15,000.

In the dingy campaign headquarters over the Cannon Street Co-op, Mr. Jackson talks of an enthusiastic public response. "There are solid blocks here; things don't change much. Michael will get an overall majority again of the votes cast."

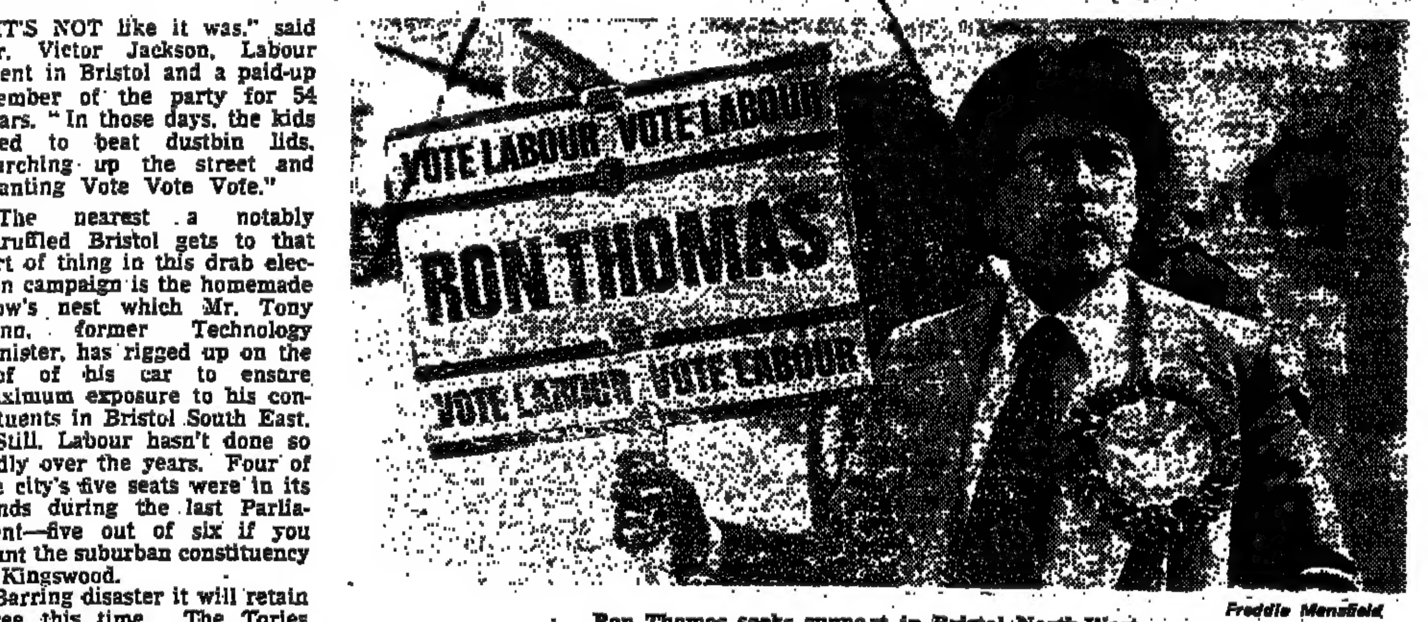
That is unlikely to be the case in Mr. Benn's seat and the Bristol North East constituency of Mr. Arthur Palmer. With majorities of around 9,000 in each case, they are exactly the sort of constituency which Labour could lose in a midterm by-election, but not, surely, in a general election.

Mr. Benn, indeed, has so far been relatively little in evidence. Tory workers, who with heavy humour refer to him as the Ayatollah, claim it is for fear of alienating supporters by his Left-wing views.

The truth, though, is that in Bristol Mr. Benn has long since transcended such considerations; he is seen, even at general election time, as a good constituency MP.

The real battle in Bristol, in terms of both issues and of campaigning zeal, is being waged in the two dicey constituencies: at Kingswood, where Mr. Terry Walker, the previous Labour MP, would be ousted by a swing of just 2.8 per cent to the Tories, and above all in Bristol North West, where the two faces of the city coalesce.

It is Britain's ninth most marginal seat, where Mr. Ron Thomas, Left-wing advocate of the "alternative strategy" and a former chairman of the Tribune Group, is defending a majority of only 633. The fight there is conditioned by the aircraft industry. The colossal Filton hangers of British Aerospace loom over the outer reaches of the constituency.



Freddie Mansfield

Ron Thomas seeks support in Bristol North-West.

Out canvassing, you can sense the simple appeal of the Tory tax cuts proposals, and the unease of Labour in the face of the Conservative council house sale schemes. Equally, though, among the grimy prefabs of Penrith Gardens, the threats of public expenditure cuts brandished by Mrs. Thatcher take on an alarming reality.

FOCUS

Mr. Ron Thomas has, by general consent, served the constituency well, but it will be astonishing—and a fatal pointer to Tory chances nationwide—if he retains the seat.

Not least of his worries is the stridently anti-Labour tone of the local Western Daily Press. "Red Ron spurned in poll shock" was one of its front-page headlines this week, and the MP flatly refused to talk to a reporter sent to cover his campaign.

His opponent—and the likely next MP—is Mr. Michael Colvin, one of those engaging but desperately energetic managerial Tories. Like Mr. Thomas, he is a member of ASTMS, but the similarities end there. The Conservatives are making a heavy pitch for the votes of swilled aerospace workers with their promises of tax cuts, and Mr. Colvin's uncompromising law-and-order views do no harm.

The likely ebb of Liberal votes (8,914 in October, 1974) will probably see to it that Mr. Colvin goes to Westminster. But it is a sobering reminder that, since 1955, the victor's majority has never exceeded 1,900: only "long overdue" boundary changes, which the Tories are demanding, would make the seat somewhat safer.

Even more unpredictable is the suburban constituency of Kingswood, cobbled together from chunks of three existing seats in time for the first 1974 election. The Conservative candidate is Mr. Jack Aspinwall, a local man who ran for the Liberals five years ago but now hopes to become the new Tory MP.

There is an astonishing confidence among Labour workers that they will succeed. Mr. Ray Bromley, the Kingswood agent, predicts an increased majority of 3,000, claiming that he called the result right in both 1974 elections, at the first of which, at least, the Conservatives expected to capture the seat.

Seeing Mr. Walker in action, helped by a small army of devoted Labour women, it is not hard to understand his optimism.

Mr. Terry Walker is the epitome of the caring local MP. Everyone knows him. By his own admission he has concentrated on local problems.

There are drawbacks: five minutes of precious canvassing time wasted on a grateful beneficiary. "I got him bus fares and invalidity benefits, but he still wants a chat," said Mr. Walker ruefully. Such are the pitfalls of being a good constituency man, but on May 3 they could just help tip the scales.

Tomorrow: Aberdeen

Petroleum tax rise would go ahead

By Sue Cameron

THE LABOUR Party will carry out its plan to increase petroleum revenue tax from 45 per cent to 60 per cent in its budget on May 23 if it wins the election, Dr. Dickson Mabon, Energy Minister, said yesterday.

The increase would be backdated to January.

Dr. Mabon, speaking in Glasgow, said that a Labour government would also cut the proportion that may be added to capital costs for writing off against tax from 75 per cent to 35 per cent.

Oil companies are allowed to write off 100 per cent of their capital investment against tax, plus a further 75 per cent for capital appreciation. The Labour plan for a 40 per cent reduction in the amount allowable against tax was announced last summer.

Dr. Mabon sympathised with a suggestion this week from Lord Kearton, chairman of the British National Oil Corporation, that oil companies operating in the North Sea were paying too little tax on profits from the big, profitable fields. Dr. Mabon added that the Government ought to be taking 80 to 85 per cent of the profit from North Sea operations.

He said that Labour accepted the view that the present tax structure in the North Sea should be altered. However, he denied that oil companies were cutting their investment in the North Sea because of Labour tax proposals.

Labour to shield small businesses from wealth tax

BY JOHN ELLIOTT

A FUTURE Labour Government would protect small businesses from the impact of a wealth tax by compensating them with special reliefs on direct taxation, according to Mr. Harold Lever, Chancellor of the Duchy of Lancaster.

Mr. Lever said yesterday that he had the support of Mr. Denis Healey, Chancellor of the Exchequer, for his belief that small concerns should be protected.

"Denis has made it clear that he will make some protective approach to small firms on a wealth tax" Mr. Lever said after the Labour Party Press conference yesterday, which concentrated on industrial affairs.

"If he did not do so he would be reversing the policies of our Government in the past two years on small firms."

Mr. Lever's remarks come when the Labour Party is under attack from the Conservatives on taxation.

Mr. Lever personally opposes *the entire idea of a wealth tax* but accepts it as Labour Party policy. The party's manifesto says that there should be an "annual wealth tax on the small minority of people whose total personal wealth exceeds £150,000."

That might affect owners of small businesses, and as a result, Mr. Lever has had to face criticism from small companies' lobbyists that such a tax would reverse all the good that the Labour Government has tried to do in the past two years with changes on capital gains and transfer taxes and other reforms.

Mr. Lever said at the Press conference that he was sure a Labour Government would tailor a wealth tax to compensate *small companies.* Mr. Healey planned to "reduce the burden of direct taxation on areas where it bears more directly on effort and achievement in wealth creation."

Mr. Lever added: "The net effect of a wealth tax on our Budget generally will, if anything, be advantageous to industry, especially small industry, and not a debit factor."

● Lynton McLain writes: Mr. Lever yesterday gave his personal support to the Liberal Party idea that 50 per cent should be the top rate of income tax.

Taxation is the most *important* field for improving the prospects for small businesses, he told a lunch of the *Association of Independent Businesses*, in London.

Direct tax at the top and the bottom of the scale is "far too high" and it was his personal view that a 50 per cent rate was a reasonable target in the longer term.

The main help for small businesses from a future Labour government would be through tax changes. He said that changes should be made in capital transfer tax. These were weighted in favour of the larger company, but they "could destroy small businesses."

Mr. Lever called for a future government to play its part in a *loan guarantee scheme for small* companies. That and the tax proposals "will shape the policies for the next five years," as small companies may become the most important source of jobs.

"Any party which does not recognise this will be failing the country."

Sir Harold Wilson, the former *Prime Minister*, told the meeting that the proposal for a Small Business Agency outlined in the Wilson Committee's interim report on the role of the City institutions in investment, in February, would form part of the "definitive recommendations to be published later this year."

Healey proves a star attraction

BY PETER RIDDELL

TO MOST people Mr. Denis Healey is just a face on a television screen, so when he appears in the flesh—eyebrows and all—there is an instant glow of recognition and of apparent affection.

During visits to shopping centres and old people's clubs in Portsmouth yesterday, voters seemed genuinely glad to meet him. In part, that may have been curiosity at seeing a familiar face; and Mr. Healey suffered the fate of all television personalities when one one onlooker asked whether he was Mr. Callaghan.

Mr. Healey quickly attracted groups of 15 to 20 people in the street. While constantly signing autographs like any other medio star, he conducted an instant survery on monetary *matters such as taxes and* pensions.

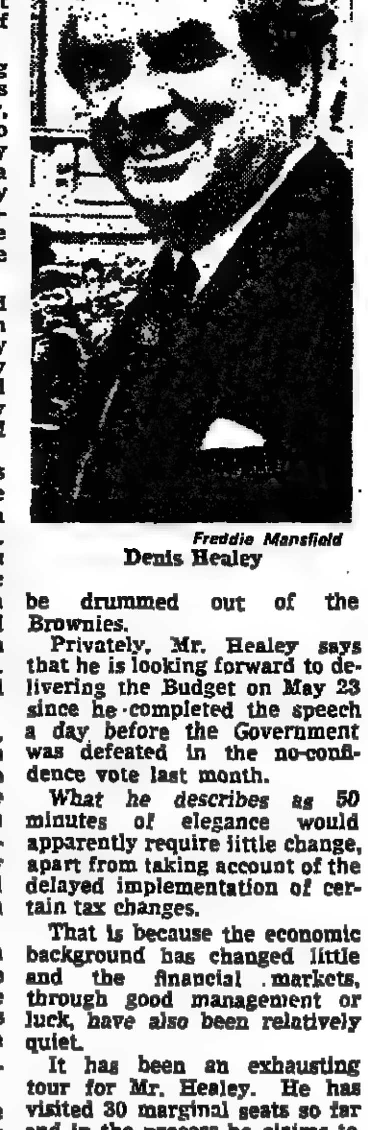
His whole approach was chatty, with no hint of the intellectual arrogance of which he has sometimes been accused.

"I never thought I'd see you today," he would say to some complete stranger. He then talked to him or her like an old friend discussing common family troubles and ailments. He received particularly vocal support from pensioners.

Harmony was, however, broken during a mid-afternoon meeting in Brighton, where he was repeatedly heckled by the "Troops out of Ireland" faction and by other assorted Left-wingers. He hit back angrily at the Irish hecklers and received general support from the audience.

All that is very different from the image of the authoritative Chancellor that won him the accolade as one of the world's five best Finance Ministers from Institutional Investor, the U.S. business magazine.

His duties as Chancellor are never very far away. He was asked several times about his Budget and gave his usual reply: that he did not want to be drummed out of the Brownies.



Freddie Mansfield

Denis Healey

Privately, Mr. Healey says that he is looking forward to delivering the Budget on May 23 since he completed the speech a day before the Government was defeated in the no-confidence vote last month.

What he describes as 50 minutes of elegance would apparently require little change, apart from taking account of the delayed implementation of certain tax changes.

That is because the economic background has changed little and the financial markets, through good management or luck, *have also been relatively* quiet.

It has been an exhausting tour for Mr. Healey. He has visited 30 marginal seats so far and in the process he claims to have seen very much more enthusiasm for Labour than at any election since 1945.

Tories will put thousands of jobs at risk, Varley says

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

Roger Taylor

Mr. Varley yesterday

THOUSANDS OF workers would have their livelihoods put at risk and important technological ventures would be threatened under the Conservative Party's industrial policy, Mr. Eric Varley, Industry Secretary, said yesterday.

As a result, foreign industrialists would be "rubbing *their hands with delight*" because of the struggle that would result among State-aided companies in Britain to maintain morale among their customers, workers and management.

That message, delivered at yesterday's Labour Party election Press conference, formed part of Labour's campaign to build up fears about the impact a Conservative Government might have on unemployment.

Senior Ministers believe that the issue of jobs is a potentially significant vote-winner for Labour, especially in the North.

Mr. Varley singled out for criticism the Conservatives' plans for running down the National Enterprise Board, which, he said, were a "body blow" to its companies' 300,000 workers and £1.3bn annual exports. He challenged Mrs. Margaret Thatcher to say what she planned to do with INMOS, *the NEB's microchip venture.*

"The Conservatives would not only kill off INMOS, but with it the 4,000 new jobs scheduled for assisted areas," Mr. Varley said.

So far the Conservative Party has not explained its plans for INMOS, although it wants to reduce the NEB's role. One idea *canvassed by Conservative* leaders is that the private sector might be invited to invest in INMOS and similar NEB ventures.

At her press conference, Mrs. Thatcher would not be drawn on a firm policy for *INMOS.*

"We will have to look at it when we get into office."

She denied that withdrawing *funds from INMOS* would kill off all UK microprocessor activity and said that she believed that it should be up to the private sector to decide where to invest.

On the other industrial aspects of Labour's manifesto, Mr. Varley said that proposed development agencies to match those in Wales and Scotland might be set up in the North-east, the North, and another area. The NEB had not had sufficient impact in the regions and more work was needed to develop industry.

He added that planning agreements should be introduced for large companies, which would be statutorily required to consult the Government and their employees about their plans.

Booth calls for support from unions

By Alan Pike, Labour Correspondent

MR. ALBERT BOOTH, Employment Secretary, visited Eastbourne yesterday with his eyes not on the 16,000 Conservative majority there but on the votes of 12m trade unionists.

In an address to the Amalgamated Union of Engineering Workers' national *committee, he appealed for* the "united support of the British trade union movement" in next week's election.

Many of the themes of Mr. Booth's speech were familiar to delegates from previous *ministerial* visits to trade union conferences during the past five years of Labour office.

The Health and Safety at Work Act, the Employment Protection Act, the Trade Union and Labour Relations Act, Temporary Employment Subsidy, and the Job Release Scheme were all displayed as examples of the way in which the Government had kept faith with the trade union movement.

The Government's job-support measures, Mr. Booth said, had made an important contribution to sustaining and increasing employment.

Sir Keith Joseph had quite clearly expressed the view that none of those measures was justified. Yet, quite apart from their social value, it would have cost about £50 a week to keep people in unemployment and other benefits, compared with £20 subsidies

Ports stress independence

BY LYNTON McLAIN

THE BRITISH Ports Association, which represents the owners of independent ports, has attacked the Labour Party election manifesto proposal to nationalise all commercial ports and cargo-handling operations.

Nationalisation would "stultify initiative and hinder the ports in their efforts to attract staff and provide an efficient service," the association said.

Pym urges more EEC reforms

Financial Times Reporter

THE CONSERVATIVES have stiffened their demand for reform of the European Community's farm policy by calling for a cut in the prices of "key commodities" to below market levels for intervention buying. However, they add cautiously that they will pursue that only if the policy proves "possible."

However, Mr. Francis Pym, the party's shadow foreign secretary, yesterday repeated the need *for a price freeze* on products in surplus, although he did not say for how long. He repeated the promise to level the green pound with the market value of sterling over five years — a pledge on which Labour has seized as certain to lead to higher prices for foodstuffs.

Speaking at Burwell, Cambridgeshire, Mr. Pym argued that Labour had "failed to do anything constructive to help *the Community or Britain's role* within."

As areas where the Conservatives would seek change, Mr. Pym named the agricultural policy, fisheries policy, the Budget, common standards and co-ordination of foreign policy.

On the controversial issue of the UK's budgetary contribution, *he made clear that any further* EEC money-raising would have to be on the basis of the richest EEC States paying the biggest share.

On fisheries, a deadlocked issue, Mr. Pym promised to pursue a policy that recognised

ON THE STUMP

Add a dash of reality

BY PHILIP RAWSTORNE

MR. JAMES PRIOR'S brand of moderation was on the Carlton Club's menu yesterday: a liberal serving of political reality to follow the cold meats, Chateau Lafite and vintage port.

The shadow employment secretary stood under the chandeliers and told a group of industrialists with down-to-earth honesty that relations with the unions would involve more than a few legal reforms.

Sir Robert Peel stared sternly down from one wall; Lord Castlereagh quizzically from another. But *Mr. Prior's bluff* words commanded respect.

From the haunt of the party hierarchy, off he breezed to the marginal streets of Paddington and Kensington, where, on the whole, his approach raises fewer doubts.

Mr. Prior obviously finds the political walkabout a less than *favourite pastime; but does it,* as he does everything else, simply and directly.

"Are you going to vote for us?" he asked an Irish lady in the Harrow Road. "Oh, yes," she said. "Every year."

Counting one quick success, his optimism was quickly eroded by the next woman. "What are your cultural values?" she demanded. "Have you met your candidate, John Wheeler?" Mr. Prior responded, side stepping *smartly.*

Rain swept coldly over the blue-rosetted party, a fire-engine screamed past. Mr. Prior mistook a Scots accent for Irish. "I beg your pardon."

Thunder rolled and suddenly there were more Conservative workers in the street than voters.

"He's very relaxed, soaks up information like a sponge," someone whispered confidentially as Mr. Prior stepped under an umbrella.

The cavalcade moved off again, circled into another street.

Out again among the natives. "*My name is Jim Prior*," he said, offering a hand to the first passer-by. "I'm not English," *she said apologetically.*

"Are you going to vote for us?" "If you do something wonderful," said the elderly lady. Mr. Prior clasped her in his arms, gazed into her eyes, and counted another vote won.

"Are you being looked after?" he asked a young West Indian girl ambiguously. She collapsed in giggles.

Into a shoe shop, and a long *discussion* about the effect of the green pound's devaluation on prices. Mr. Prior explains it simply and effectively. "I think you've got a convert," the questioner says.

"That's made the day for me," he smiles.

Someone assures the aides that she has met Mr. Prior. "He's the tall, grey-haired man, isn't he?" she demands, pointing at Sir Brandon Rhys-Williams, loping ahead with a short, blue umbrella.

The friendly progress continues. "*I'd like a man for* Prime Minister. You for example," says a man without teeth.

"Oh, no, no, no." Mr. Prior almost blushingly declines.

Like the radio fan who wanted to pin his photograph between those of Cromwell and the Duke of Wellington, he had misjudged Mr. Prior's place in politics.

Prior denies threat to employment

By Our Industrial Editor

LABOUR PARTY suggestions that a Conservative Government's industrial policy would lead to widespread loss of jobs were energetically denied last night by Mr. Jim Prior, the Conservatives' employment spokesman.

Speaking in London a few hours after Mr. Eric Varley had declared that the Conservatives would put thousands of jobs at risk, he repeated the Tory manifesto's pledge to give "temporary and tapered" aid to companies where that was in the national interest.

● Speaking about the closed shop earlier on a radio programme, Mr. Prior said that the Conservatives would not introduce new statutory rights to compel a company to employ a worker who had left his trade union. The proper course was *to provide a right* for the employee to appeal to an industrial tribunal that he had been unfairly dismissed.

Conservatives seen as big business party

By John Hunt

THE CONSERVATIVE Party continues to be identified with "big business and the higher ranks of the establishment," according to the Labour Party Research Department.

In a special issue of its journal, published today, it says that an analysis of the backgrounds of 376 Conservative candidates shows the narrow backgrounds from which they come.

Although only 4 per cent of the school population goes to public schools, 59 per cent of Tory candidates had public-school education, it says.

London issues 'ignored'

BY PAUL TAYLOR

MR. PETER SHORE, Environment Secretary, condemned the Conservative mini-manifesto on London yesterday. He said that the document "ducked the crucial issues" and would do little for London Tories or London itself.

Mr. Shore, who is defending his constituency of Tower Hamlets, Stepney and Poplar, said that the manifesto, *published on Monday,* ignored decay in inner London, the need for houses, and London's need for extra cash through the Government's rate-support grant.

He challenged the Conservatives to say whether they would abandon Labour's inner-city policy and in particular the three partnership areas in London.

He predicted that a Conservative government would increase council rents and continue the Greater London Council's policy of cutting public sector house building.

Labour had given extra money to London through the annual rate support grant settlement to meet London's special needs, but the Conservatives had voted against such cash support. Mr. Shore suggested that the Tories would redirect cash from London to the Shire counties.

Plan for Liverpool centre

BY RHYS DAVID, NORTHERN CORRESPONDENT

AN OLD TOWN corporation charged with revitalising Liverpool's depressed inner urban area is suggested in a charter for the city published yesterday *by Conservative* general and local election candidates.

The charter, launched symbolically on a stretch of derelict ground near the *recently completed* Anglican Cathedral, says the Old Town corporation would be run on the lines of similar bodies for New Towns and would draw on a mixture of private and public money.

The document predictably blames most of Liverpool's ills on excessive Labour Government intervention, which, it alleges, has driven away private investment and business opportunity.

"Not other city has such enormous bureaucracy, so many badly maintained council houses, such a squalid environment and such a high level of wanton *destruction and vandalism,*" it says.

The Conservatives' solutions contain, apart from the Old Town idea, a direct lift from the Liberals, who now control the city council. That is the *creation of a free port* enabling raw materials to be brought into Liverpool free of tax and manufactured within the docks for re-export.

The idea was, however, dismissed as impracticable last year in a report by consultants for the Department of Industry.

The Conservatives, who returned only one member in Liverpool at the last General utilised in the inner city. at Wavertree) also endorse the policy put forward by the Conservative-controlled Merseyside County Council of trying to release land held by the nationalised industries in Liverpool city centre.

Such public authorities should be compelled to put up their land holdings for auction if they were not genuinely proposing to develop the sites.

The Tories would also seek *to halt development of new* businesses outside Liverpool's boundaries, where land is cheaper, until land is fully utilised in the inner city.

Building of large council estates would also be halted and more emphasis placed on housing rehabilitation.

Existing large council estate would be divided into what are termed "small, caring units" and special incentives would be introduced to discourage vandalism.

NATIONAL FREIGHT CORPORATION ANNUAL REPORT

Boom for road haulage

BY IAN HARGREAVES, TRANSPORT CORRESPONDENT

THE National Freight Corporation last year produced a record trading surplus of £10.6m and its first net surplus since 1973.

According to the state road transport group's annual report, published yesterday, market conditions in road haulage were the best since 1973, with a consumer-led boom lifting the profitability of haulage companies associated with retail trades.

This enabled the corporation to grow 2.5 per cent in real terms, increasing turnover from £386.6m to £406.7m and trading profit from £12.4m to £20.1m.

Net profit came out at £0.3m (against a loss of £10.8m in 1977) after paying £10.6m interest to the Government, but this surplus would not have been achieved without the financial reconstruction of the corporation in last year's Transport Act.

The reconstruction, which provided compensation for overvaluation of NFC assets at its formation ten years ago and for certain pensions liabilities, was effective from August and boosted the 1978 net profit by £3.3m and trading profit by £900,000.

Trading profit has risen by £30m in the past three years despite, the report says, intense competition. NFC claims an 8 per cent share of the UK road haulage market.

In spite of this improvement, the report says that its average profit margin of 5 per cent on revenue was still inadequate to pay for asset replacement and provide for economic downturn.

Its target is an 8 to 10 per cent return, which Mr. Robert Lawrence, the corporation's recently appointed chairman, said yesterday should be achieved next year.

Most of last year's growth came from contract-backed and specialist transport services. About 45 per cent of the corporation's capital budget went into services with some form of contractual commitment. This would provide "a firmer base for trading in 1979," the report says.

Transport services associated with heavy industry had a dull year in 1978, but this did not prevent all but one of the corporation's main member companies from trading profitably.

In response to the 1978 White Paper on the nationalised industries, the report gives for the first time a selection of financial performance indicators, showing that trading profit as a percentage of gross receipts increased from 0.6 per cent in 1976 to 5.1 per cent last year, with a seven-fold increase in operating return on average net assets in the same period.

Details of the main member company results are as follows: British Road Services, a regional general haulage and contract service group, raised turnover from £113.9m to £126.5m last year, an 11 per cent improvement, with trading profit at £8.8m (£6.7m). Contract hire and truck rental continue to be the most successful activities.

National Carriers, a haulage and specialised transport service group, formerly part of British Rail, continued its trend of financial improvement, lifting trading profit from £0.2m to £2.7m on £100m turnover. Garment and china transport services are doing well, but a small-vehicle delivery service launched in 1977 for the mail order industry, Homeward, "will require major restructuring in 1979," after a difficult year.

NATIONAL FREIGHT: TRADING PROFIT/LOSS OF MAIN COMPANIES

	1978	1977
	£m	
British Road Services	8.8	6.7
National Carriers	2.7	6.7
Roadline UK	1.8	0.8
Pickfords Removals and Travel	2.7	2
Cartransport	0.1	1.1 loss
Containerway and Roadferry	0.3	0.3
Lawther and Harvey	0.1 loss	0.1
Pickfords Heavy Haulage	0.7	0.9
Tankfreight	1	0.6
Waste Management	0.4	0.4
Tempco International	0.9	0.5
Cotrali-Pickfords	0.5	0.3
Freightliner Computer Services	0.3	0.2
Freightliner*	0.7	1.2

* Frightliner was transferred to British Rail in August, 1978. Figure shown is for part year only.

Corinne Cockrell

Mr. R. Lawrence (left), chairman of the National Freight Corporation and Mr. V. Paige, deputy chairman, at yesterday's Press conference.

Roadline UK, formerly BRS Parcels, suffered from industrial action during the pre-Christmas peak, but still improved trading profit by £1m to £1.8m on a turnover of £99.8m. High labour costs and fixed overheads highlighted the need to speed up rationalisation and mechanisation of sorting centres.

Special Traffics Group improved trading profit from £3.1m to £5.1m, the seventh successive annual improvement. Turnover was £78.3m. The strongest improvements were at Cartransport, a loss-maker in 1977, which recovered to a £0.1m trading profit after cutting back resources and making management changes.

There was some rationalisation of NFC's Northern Ireland business, resulting in a small loss for the Lawther and Harvey subsidiary, part of whose business was transferred into a non-wholly owned subsidiary, Northern Ireland Carriers. Pickfords Removals and Travel improved its market share and, assisted by a sharp rise in income from warehouse rents, pushed up trading profit from £2m to £2.7m on turnover of £26.3m.

International Activities: NFC (International), which was working on a major contract in Iran, has now virtually withdrawn from that country. Provision for losses of £258,000 has been made in the 1978 accounts.

Heathrow terminal switch plan in effort to ease congestion

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

SOME long-haul flights at Heathrow Airport which use Terminal Three—the normal long-haul terminal—may this summer be moved into other terminals in an attempt to ease congestion.

Plans for summer flights submitted to the Airlines' Scheduling Committee at Heathrow, which allocates flight times throughout the day already show that they will exceed Terminal Three's capacity by 300 passengers an hour in peak periods.

The British Airports Authority has told the committee that the limit this summer at Terminal Three is 3,000 arriving passengers every hour and 3,800 departing passengers an hour.

Mr. Michael Maine, the authority's deputy director (terminals) at Heathrow, is insisting that the committee and the airlines reduce their plans to meet the authority's permitted passenger figures, which are based on what the authority believes Terminal Three can stand without becoming saturated.

"This year, the airlines at Terminal Three were originally wanting to fly in well over 4,000 passengers an hour, and it has been a battle to persuade them to change their flight times to the quieter hours," says Mr. Maine, in the latest issue of Airport News, the British Airports Authority's newspaper.

"Airlines say that a move of a flight by three hours can lose them over £1m per year in lost passengers, so they are understandably reluctant to move."

He adds that he may have to take the airlines to court if they decline to shift some of their flights, either into the quieter hours or into other terminals.

Mr. Maine says that while he does not like using legal action in his dealings with the airlines, he found it the only way to solve the problems of Stand-By passengers last summer.

Mr. Maine is also putting pressure on the airlines to improve their operating procedures, and in particular to speed up baggage delivery for arriving passengers.

Sweeter Britain

BRITISH CONSUMERS eat, on average, half a pound of confectionery a week each and spend a total of over £1.25bn a year—around 8 per cent of all food expenditure.

Mr. Derek Anderson, chairman of the Cocoa, Chocolate and Confectionery Alliance, giving the figures yesterday, said: "We are spending more money on snack foods, soft drinks biscuits, cakes, ice-cream and sweets than ever before, and they now account for more than 25 per cent of all consumer spending on food."

One reason for the change is the large increase in the number of working women who spend less time cooking at home, he said.

Britain already has 20 per cent of world trade in confectionery.

Howell plans regional Olympics to save cash

BY MAURICE SAMUELSON

PLANS to hold a cut-price Olympic Games in Britain in 1988, with events held at existing facilities throughout the country rather than merely in London, were launched yesterday by Mr. Denis Howell, the Sports Minister.

This would cost about a fifth of the £100-£600m needed for an ambitious new Olympics centre like those built in recent years in Canada and West Germany. There would have to be a central Olympics village, and Wembley stadium would be refurbished for the ceremonial events and athletics. But many of the Games could be held outside London.

Mr. Howell was speaking at the Labour Party headquarters rather than at the Department of the Environment, and he clearly had his eye on the political ball.

He stressed the wastefulness of building a huge Olympics "white elephant" in London's dockland, a plan being studied by the Conservative-controlled Greater London Council.

He left out few areas of the country as he listed the sites of the different events—swimming in Edinburgh, boxing in Glasgow, "one or two events" in Wales, Soccer matches in Lancashire, gymnastics at Birmingham's National Exhibition Centre, rowing and canoeing near Nottingham, and yachting in the South-West.

But what about spectators who wanted to see as many events as possible? No problem. There would be package tours and planes to conduct them round the country.

APPOINTMENTS

Sandy Marshall to head Bestobell

Mr. Sandy Marshall, who resigned as managing director of the Peninsular and Oriental Steam Navigation Company in March, is to take over the chairmanship of BESTOBELL, the chemicals and engineering group.

Mr. Marshall will become full-time executive chairman of Bestobell in June in succession to Sir Humphrey Browne, 68, who will then retire from his job as part-time non-executive chairman.

Dr. Donald Spencer remains group managing director of Bestobell.

★

Mr. George Wigglesworth has been appointed chairman of the BISON GROUP. He joined the group in 1935, became director in 1958 and group managing director in 1971, and has been acting as deputy chairman since 1977. Mr John Parkinson has become managing director. He joins the company after being a director of Dowmac, managing director of Henry Boot Construction, and joint managing director of Henry Boot and Sons. Sir Kenneth Wood has retired from the chairmanship of the Bison Group. Sir Kenneth joined the company in 1946 as a director, became managing director in 1950 and chairman of the then Concrete Limited in 1958.

★

Mr. Denis M. Child has been appointed general manager of the financial control division of NATIONAL WESTMINSTER BANK, succeeding Mr. F. W. Hewitt, who retires in August. Mr. Child joined the bank in 1942 and since 1977 he has been head of management information and control, financial control division. Mr. Hewitt, a director of the bank, has been general manager of the division since the National Westminster merger.

★

Mr. J. C. G. Stancliffe has been elected a director of S. G. WARBURG AND COMPANY.

★

Sir Nicholas Henderson has been appointed a director of the MERCANTILE AND GENERAL REINSURANCE COMPANY.

★

Mr. Leo G. C. Curran is to become a full-time member of the Board of BRITISH SHIPBUILDERS with responsibility for engine building and general engineering. Mr. Curran is managing director of Plessey Hydraulics International and is being released by Plessey to take up his new position.

★

Mr. C. Preston Cunningham, former chairman of Monsanto Europe SA, has been elected group vice president and managing director, MONSANTO CHEMICAL INTERMEDIATES COMPANY. He succeeds Mr. Frank E. Reese, elected senior vice president of Monsanto Company. Mr. Charles H. Sommer, formerly president and chairman, Mr. John R. Eck and Mr. Tom K. Smith Jr, senior vice presidents, have retired from the Board of Monsanto Company. Mr. Richard J. Mahoney, executive vice president, has been elected to that Board.

★

Colonel George Ramsay, director of personnel of Hill Samuel, has joined the Board of KORN/FERRY INTERNATIONAL, executive search consultants.

★

Dr. D. A. Harper, a non-executive director of TURNER AND NEWALL since it acquired Storey Brothers in 1977, has retired.

★

ROYAL INSURANCE has made the following executive appointments at its head office in Liverpool: Mr. P. J. Sherman, chief underwriting manager; Mr. M. E. Berry, underwriting manager; Mr. J. S. Simpson, development manager; Mr. E. J. N. Clarke, deputy underwriting manager and Mr. R. G. Scott, deputy underwriting manager.

★

Mr. J. G. Dawson, chairman and managing director of the Zenith Carburetter Company, has been elected president of the INSTITUTION OF MECHANICAL ENGINEERS in place of Mr. Diarmaid Downs.

★

Mr. John Ramsden, manager motor and UK branches, has been appointed a director of SPHERE DRAKE (UNDERWRITING), a subsidiary of the Alexander Howden Group.

★

Mr. V. D. Weeks has been appointed managing director of WEEKS TRAILERS, a subsidiary of Weeks Associates. Mr. Weeks joined the company in 1966 and for the past two years has been technical director.

★

Mr. W. E. Apted will be appointed chief London manager of NEDBANK and Mr. M. F. Byrne becomes group European executive on May 1. Mr. R. A. Wiskar, general manager, London, retires at the end of this month.

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Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● COMMUNICATIONS

Slot machine for data service

CHERRY VIEWDATA is the first company to have available a coin-operated Viewdata terminal. It is the British subsidiary of Cherry Foretagen AB of Sweden, but all the development work has been done by a UK team.

Currently, the terminals are being offered to department stores, large commercial concerns and the like and they are designed to operate with the Post Office Prestel service. To operate the terminal, the user inserts a 10p or 50p coin.

As soon as contact is made with the Post Office's computer, the pages of stored information can be accessed by the operator using a keypad on the terminal. If no contact is made, the user's coins are returned immediately and a message on the screen advises "engaged—try later."

These terminals are available on an annual rental basis which includes maintenance and regular cash collection calls. However, Cherry Viewdata is planning and designing an entirely different terminal as a result of using the GEC Semiconductors Viewdata chip set. This makes it practicable to develop a terminal specifically for company users with many options. During 1979 several of these options will be made available. They include terminal printout facilities, dedicated terminals, dual-function terminals, private sytems and terminal card readers.

The printer Cherry plans to use is a thermal one, printing alphanumerics and new Viewdata graphics on to anodised paper. For the private user dedicated terminals will be made. The present terminal accesses the entire Prestel database, but a dedicated terminal can be programmed to users' requirements to access only pre-specified pages (eg financial only, sport only, etc).

The dual-function terminals are for companies that already have their own computerised database and wish to access this as well as the Prestel database. Private systems will be made available for companies wishing to create their own Viewdata systems. Card readers will be available to identify the user either on a private or on public system. This can be used in various ways; for example, to allow access to "restricted" information on the database or as a credit card system for charging the user.

Cherry on 01-459 2336.

● TRANSPORT

Better way to run the buses

MANCHESTER CITY had the first bus in this country, five years ahead of London and about 150 years ago. It was a one-horse conveyance and ran three times a day (not far behind London Transport's present No. 22 which can be seen occasionally in the King's Road).

Now, Greater Manchester Transport aims to transcend all other transport authorities with its extended use of computers for optimising the day-to-day operating efficiency and long-term planning of its bus fleet.

Last year, its 3,000 buses travelled 85m miles, carrying passengers who made over 442m journeys, and helping to solve its massive operational problems are an IBM 360/50 768 kb mainframe running under OS/MFT with ENVIRON-1 and TOTAL, and a newly acquired DEC PDP 11/70 mini computer using DEC's new transaction processing software, TRAX.

Located at Greater Manchester Transport's operational headquarters in the centre of the city, the PDP 11/70 will form the heart of a new distributed processing network covering all of Greater Manchester's 19 bus depots which will be linked to the host processor by DEC VT62 terminals.

A comprehensive database capture and management system called TOPIC (Traffic Operations Information Capture), to be implemented on new equipment this summer, will enable bus scheduling staff at all depots to enter detailed changes to bus timings as soon as the new timings are agreed and authorised. The resulting database will record the up-to-date information on all GMT's planned bus trips.

TOPIC will be the foundation for a set of computer-using systems, says GMT, unique in the UK public transport industry. This will include better crew scheduling, bus service control, bus service costing and planning, production of timetables, and much improved public enquiry services.

Covering an area of over 500 square miles, Greater Manchester Transport is the second largest urban public transport executive in the UK whose revenue in 1977-78 was over £90m of which £67m was generated from bus and rail fares and associated trading activities.

● MATERIALS

Films for graphics

FOR CONTACT printing in the graphic arts, 3M (P.O. Box 1, Bracknell, Berks RG11 1JU (0344 26726) has introduced System One, consisting of two films types, one for high speed duplicating (HSD) and the other for fast contact printing.

HSD is a fast blue-sensitive high contrast positive-acting film coated on either four or seven mil clear polyester base while the other material, HSC (high speed contacting) has normal negative action.

The films have the same speed and give good working latitude in exposure and wide processing latitude.

Both films use an inexpensive low wattage point light source for exposure and, processed in the same lith chemistry, permit the production of half tones and line negatives or positives without adjustment in solutions. Both films can also be dot etched with conventional etching procedures and solutions.

Lubricates in very hot zones

FOR CONVEYOR chains and their associated rollers and bearings operating at high temperatures, K. S. Paul Products has formulated a lubricant which will remain as a liquid up to 200 degrees C.

At higher temperatures, the product, which is a molybdenum disulphide dispersion in a non-carbonising synthetic carrier, volatilises and particles of molybdenum disulphide remaining on surfaces will provide dry lubrication up to 400 degrees C.

The lubricant has been called Liquigrade 1030 and can be applied by brush or mechanical systems.

Liquigrade 1030 is said to be particularly suitable for paint stoving conveyors, but is also considered to be equally effective on conveyors operating at high temperatures and heavy loads in many other processes.

K. S. Paul Products is at Nobel Road, Eley Estate, London NW18 3DB (01-807 5566).

● SECURITY

Protection of big buildings

GOOD electronic access control systems not only protect the environment but provide an immediate "presence-on-site" record of personnel in a building, and can also be linked to alarm signalling equipment.

Management and security staff must be able to act quickly on receipt of signals from access control units and to meet this need Cardkey Systems has introduced Pass (Programmed Access/Security System) to enable security problems and hazards to be dealt with promptly and in the appropriate order of priority.

Alarms, environmental changes—pressure, power, temperature—and wrong attempts at entry can all be signalled to security staff via an access control system. However, response must be rapid and appropriate and transactions on the system given the propert attention. Pass monitors such conditions and provides detailed instructions for dealing with them.

Features of Pass include real-time visibility, extensive field operation with all component parts, complete audit trail of operations, high reliability and security of data files, and a hardware/software combination giving considerable user flexibility.

A typical Cardkey Pass array has a badge reader or card reader, a front end device (Cardkey Interrogator 880) a Pass protector, a central processor, and a choice of backup equipment like file storage discs, and CRT/printer terminals. Access control is accomplished via the badge reader and a Securiti-Card. Data received by the front end device for each card operation is verified and the access control function performed without signal/control from the Pass protector. Stand-alone control capability is a standard feature of the front end. Card transaction data is also scheduled and sent to the main processor. At the same time the front-end may send data to one or more units of backup equipment.

Alarm monitoring points may be connected to the complete system via the badge readers. Data from the readers is transmitted to the processor which determines message type/priority and puts the data in the relevant queue awaiting processing.

Cardkey Systems, 43, Milford Road, Reading, Berks RG1 8LG. 0734 598921.

Stops car thieves

NEW AND timely on the market because of the growing incidence of car stealing and personal attacks upon passengers is a new electronic vehicle security system.

Designed and manufactured by Sorsby Safety Equipment of Hungerford the new system "Detect a Thief" is being marketed by Ringparts of Leeds.

The unit has two sensing functions, the first monitoring vehicle battery voltage and detecting any drop in voltage however minimal; the second having the capability of attachment to any of the closed-circuit devices featured in a car. Suited to the heavy goods vehicle, articulated lorry, or private car, the system is fail-safe, incorporating its own standby dry cell batteries and in-time fuse and its own electronic siren, which emits a high pitched oscillating sound.

All cabling used in the system is to British Standards and the circuitry is mounted in a small pvc fire-proof box for installation in the engine compartment of the vehicle, installation time being reckoned at 35/40 minutes only.

Electronically latched to the "Detect a Thief" system is a 24-hour personal attack button with an optional automatic unit giving pre-selected time delay for authorised entry or exit to the vehicle and providing instantaneous alarm on unauthorised entry.

Further details from Ringparts (Leeds), Whitehall Trading Estate, Leeds 12. Leeds 793691.

● TELEVISION

Gives a large picture

LATEST major Japanese television manufacturer to offer a big screen projection television product is Mitsubishi, with its VS500 just becoming available from selected dealers at a price of £3,500.

The problem that has previously existed of having to place the projector unit at a distance of several feet from the screen has been overcome in this case by a computer design of compressed optical path allowing all to be housed in one unit of furniture measuring 1665mm high by 1120mm wide and 668mm deep.

For use, a drawer below the screen is pulled out, the depth then becoming 1137mm. This houses a plane mirror which accepts light from the three forward-facing optical projectors and reflects it on to a highly reflecting screen accurately curved in three dimensions to exhibit an undistorted television image.

Brightness is given by the makers as 60 ft Lamberts and programmes can be viewed in a normally daylit room.

There are now at least four of these systems on the UK market aimed mainly at public and semi-public locations such as hotels, public houses and educational establishments. Mitsubishi claims that audiences of up to 200 can use the VS500 with the advantage that, unlike some earlier models, members of the audience cannot place themselves between projector and screen.

The equipment has infra-red remote control with channel number momentarily displayed on the screen, and a sound power output of ten watts.

More from Otterspool Way, Watford, Herts WD2 8DL (Watford 40566).

● INSTRUMENTS

Dual-trace oscilloscope

LAUNCHED BY Gould Instruments Division, Roebuck Road, Hainault, Essex (01-500 1000), the OS 3500 is a dual trace 60 MHz oscilloscope with comprehensive triggering facilities and a trigger bandwidth of 100 MHz down to dc.

The instrument has an 80 x 100 mm high writing speed cathode ray tube working at 12 kV to give a bright, easily read display. Designed for portability, it measures only 325 x 180 x 465 mm and weighs 10 kg, the carrying handle also functioning as an adjustable stand.

Sensitivity on the two Y channels is 2mV/cm over the full 60 MHz band, with termal drift compensation.

Available as a factory or service-fitted option is a separately housed 3½-digit voltmeter that is secured mechanically and electrically to the top of the 'scope casing.

Useful for the measurement of time and amplitude relationships the unit makes use of and controls a second "bright up" section of the 'scope's main timebase sweep. The period between the first and second brightup sections is accurately shown on a digital display.

For amplitude measurements a second complete sweep of the channel two signal is introduced and the bottom of this signal is adjusted to coincide with the top of the basic display to give an accurate digital reading.

Operated as an independent digital voltmeter the DM 3010 measures voltages from 200 mV to 1000 V dc, with a resolution of 100 microvolts. Resistance and current can also be measured.

Puts it to the test

THOSE concerned with the manufacture, incoming inspection or laboratory evaluation of capacitors and inductors will be interested in the LC Digibridge from GenRad, Bourne End, Bucks. (06285 26611).

Several of the operating conditions are selected from the keyboard. After placing the component in the fixtures, which can accommodate axial or radial leads, the user keys in the frequency at which he wants the measurement to be made, there being 254 steps between 240 Hz and 20 kHz. Automatic zeroing eliminates stray capacitance and inductance from the test fixture.

The reading then appears on a five digit display together with the units involved (pF, mH, etc). For sorting into grades, ten limits can be entered on the keyboard, with suitable indication of "no" and "no go" results.

Other measurements the bridge can make include factor of merit for coils and dissipation factors for capacitors.

Ranges for capacitance measurement are 0.001pF to 9999.9 microfarads, and for inductance, 0.00001 mH to 9999.9 H.

Measures heat flow

PUT ON the market by Robertshaw Skil, Greenhey Place, East Gillibrands, Skelmersdale, WN8 9SB (Skelmersdale 23671) is an instrument designed to determine the heat flow (the amount of heat supplied or rejected) within a process or building.

It determines the product of fluid flow, temperature difference and specific heat, making use of flow transmitters and resistance thermometer bulbs and electronic integration to give metering and recording.

Two matched thermometer bulbs form a bridge which is energised by a voltage signal from a differential pressure transmitter which measures the flow rate via an orifice plate. The output of the bridge is proportional to the heat flow which is displayed directly, while the integrator gives a pulsed output to a six-digit counter which shows total heat.

Feedback compensates for temperature dependent errors such as variation of fluid density and specific heat.

The recorder is a compact self-contained instrument suitable for panel mounting.

● IN THE OFFICE

Tape from a typewriter

MADE IN Denmark and now launched in the UK by GNT Automatic (UK), Bagshot Road, Sunninghill, Berks SL5 9JN (0990 26158), the Telexmaster is a device which effectively by-passes the telex keyboard machine itself, replacing it with a normal typewriter coupled to a paper punch tape.

Main advantage of the machine is that it can be used to make paper tapes for direct sending without tying up telex keyboards for the purpose.

Telexmaster can be connected to IBM 82, 82C, 96 or the Remington SR101 electric typewriters and consists of a 50 character per second punch mechanism with spooling equipment and microprocessor control.

In this way fast typists can produce tapes very quickly with the added advantage of the electric typewriter facilities such as tabulation, back spacing and error correction.

The unit measures 122 x 477 x 246 mm and weighs 5.3 kg. It operates from any AC mains supply.

THE JOBS COLUMN, APPOINTMENTS

A stack of chaises • Food in Jamaica

BY MICHAEL DIXON

AMONG the satisfied customers of this column, in the sense that it led them to their present job, is Uwe Kitzinger, Dean of the Insead business school in *Fontainebleau*, France.

Mind you, he probably had a few second thoughts when he took over there nearly three years ago because *the school's* cash-flow was not then in a state to encourage dreamless slumbers. Part of the trouble was that Insead—a "foreign association" under French law and a registered charity in Britain—drew only about half its income from teaching fees and *suchlike*. The rest depended on donations and subscriptions from various sources, including the school's large number of associated companies.

But now a budgeted earned income of about £2.6m plus a mere £900,000 in subscriptions, not to mention a new computer and four extra buildings in train, have restored serenity to the deanly face which is instantly recognisable by its fair locks and black eye-patch. So even though Uwe Kitzinger still averages four days a week away *from* Fontainebleau, continuing *his promotional* activities, he cannot but be glad that he read the Jobs Column of September 22, 1975.

Whether he will go on being a satisfied customer, however, will depend on how many readers in various parts of the world are willing and qualified to fill the "stack of chairs" he has on offer at the school.

If a couple of them who are specialists in accounting and financial control or in finance could start work in Fontainebleau in September, so much the better. But the real bulk need is for the autumn of 1980. "We'll have vacancies then not only in finance and accounting but also in business policy, marketing, industrial relations and possibly management science," says the dean.

The jobs are mainly for associate professors—senior lecturers in United Kingdom terms—to whom Insead offers a *starting salary* of about the equivalent of £16,000. But professor's rank would be open to a candidate whose qualifications and experience justified it.

To those seeking to begin or to continue a career in management education, Uwe Kitzinger would probably offer an initial contract of three years, whose successful completion would lead to further contracts renewable every six years. Such terms would no doubt seem unwarrantably risk-prone to standard British academics who, after a probationary period, are mostly *guaranteed security* in their jobs until they are dead, or even longer. Indeed, I have it on fair authority that the only reasonably sure way to get rid of an incompetent professor at Oxbridge is to have him or her certified insane.

More than 10 years of close observation has persuaded me that the custom of life-long long academic tenure is on balance against the public interest. Any gain to education it provides by promoting intellectual freedom is surely outweighed by the laziness and slipshod work, especially in teaching as distinct from research activity, which the tenure protects.

No tax . . .

It seems to me particularly *inappropriate, too, in management* education where much of the requisite "body of knowledge" tends rapidly to become obsolete, so that a teacher *inclined to rest on past attainments* can soon become worse than useless. I suspect that Dean Kitzinger feels the same.

Anyway, he is more than willing to engage numerous of the new staff he is seeking for short periods, perhaps on secondment from their present organisation. "There's a certain advantage," he says, "because no tax is payable either in the UK *or France for someone* who teaches in France for a period not exceeding two years."

For the shorter-term candi*dates, the emphasis would be* on teaching—a full year's "load" being 120 sessions of 75 minutes apiece. Roughly a third of this time would probably be devoted to Insead's 230 students on the one-year master's degree course. The rest would be taken up by programmes for in-service managers of junior, middle and senior rank, and lasting between three days and seven weeks. As a whole, the school's courses are attended by about 1,000 people each year.

So the other-than-career appointments call for experience of teaching — preferably in a business school, although it might have been gained even part-time elsewhere—as well as of the specialist area of management concerned. The experience of management would be best, in the dean's view, if it had included success as a consultant, but time in the line also would be an advantage.

The same requirements apply broadly to the long-term posts, but for these Insead is additionally specifying demonstrable skill in research. "Although our service will always demand first-rate classroom work, we're now increasing our effort to improve our product with *research," Uwe Kitzinger adds.* Current topics include forecasting, Euro-marketing, international finance and various aspects of management science.

Fluent in French, German and English himself, he would naturally prefer candidates to be polyglot. But most of the essential communication at the school is *in English* and, given that language and cultural transferability to a widely international community with a common interest in management, the new academics could come from anywhere.

Applicants should send career-details and names of referees to the dean at Institut *Européen d'Administration* des Affaires, Boulevard de Constance, 77. Fontainebleau, France. Telephoned inquiries to (010) 331 422 4827.

To succeed

OTHERWISE, how about Jamaica whither London-based headhunter Kim Owen-Browne wishes to send a combination of professional manager and entrepreneurial trader to be managing director of a £50m-turnover business in food manufacturing, wholesaling and distribution?

He may not name the employer, and so guarantees to abide by any applicant's request not to be identified to the client *until permission has been given.* But he can say that, "if successful, the newcomer will succeed the 67-year-old chairman of the company, which employs about 1,600 people.

Candidates must already be proven general managers. The previous experience most desired is fully developed marketing, but finance with a commercial emphasis is considered fairly appropriate, too. Age indication is 35-43.

The ideal background would be "advanced training" in one of the big groups in the food industry which are renowned for professional, if not supercilious, management, followed by successful striving for a results-is-all international trading concern.

"The political situation in Jamaica is of course not quite as relaxed as it could be," says Mr. Owen-Browne smoothly. "But from what I see there, things will settle down so as to ensure continued good prospects for the business."

Culturally transferable candidates with fluent English are welcome from anywhere. Spanish would be a help. Salary worth about £50,000; copious benefits include prospect of equity share. Written applications only to the headhunter at Owen-Browne Associates, 29-30 St. James's Street, London SW1A 1HA — Telex 919176 Toray G.

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Candidates, probably in the age range 35-45, should be Chartered Accountants who can demonstrate strong financial management experience in a modern commercial environment, including a knowledge of manufacturing accounting. Familiarity with international reporting requirements and good staff control ability will be important attributes.

The combination of an expanding group and a growth industry provides excellent career development prospects. The remuneration and benefit package, which includes relocation expenses where relevant, is highly attractive.

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Salary around 250,000 French francs if based in France. Commuting from UK may be possible and in this case salary and conditions will be negotiated.

Please send relevant details — in confidence — to R. M. Cooper ref. B.60399.

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UNIVERSITY OF EXETER

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Further particulars may be obtained from Miss Doreen Watson, Northcote House, Queens Drive, Exeter, to whom applications (eight copies) should be sent by 22 May 1979. Please quote reference No. 3196.

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International Merchant Bank Business Development

$60,000 - 80,000 **Latin America**

A Head of Business Development and Administration is required by a multi-national bank active in international commercial, merchant, and investment banking primarily in Latin America and Arab countries. The role is to build up and control a network of regional offices in Latin America. Expertise gained in an International or Merchant bank, including experience in Latin America and a major financial centre covering all aspects of international, loan syndication, and capital market operations allied to some experience of regional business development and the management of Euro-capital market issues is essential. Fluency in Spanish/English is mandatory and a knowledge of Portuguese desirable. This is a key senior appointment with excellent career prospects.

Applications in confidence to Gerald Brown (Ref. 6378).

mh Mervyn Hughes Group
2/3 Cursitor Street, London EC4A 1NE
Management Recruitment Consultants
01-404 5801

DOCUMENTARY LETTERS OF CREDIT

International Bank in the City has a vacancy in one of its Senior Departments dealing in Letters of Credit, Documentary Collection and Acceptance Financing.

The person we are seeking should have current experience in the paying/negotiating of Drafts and Documents with a good knowledge of U.C.P. rules. After a short introductory period we expect the successful candidate to be fully operational and working on their own initiative. Knowledge of Opening Letters of Credit an advantage.

Excellent salary plus usual Bank fringe benefits. This year's holiday arrangements honoured.

Please apply in strict confidence to Box A.6732, Financial Times, 10, Cannon Street, EC4P 4BY.

Financial Controller

London, from £16,000 pa.

For a wholly owned (£60 million turnover) subsidiary of a major international group - the main UK business centres on shipping. Reporting to the Chairman/MD the successful candidate will be totally responsible for all aspects of *financial planning and control*, with c.50 staff through three departmental managers. Financial disciplines are well established. Key tasks include:- profit analysis, cash flow planning, taxation, special projects and systems development.

There will be real involvement in influencing and advising on policy and general management subjects. Candidates aged 32 - 45 must be qualified accountants, strongly business and profit orientated with a proven record *at senior management level in first class commercial* or industrial companies. This appointment offers excellent career development opportunities. The comprehensive package of benefits includes assistance with cost of relocation.

D.N. Clohessy, Ref: 23031/FT

Male or female candidates should telephone in confidence for a Personal History Form to:
LONDON: 01-734 6852, *Sutherland House, 5/6 Argyll Street, W1E 6EZ.*

Hoggett Bowers
Executive Selection Consultants
BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD

Pensions Manager
International challenge-London.
First rate salary plus car.

My client seeks a man or woman of unusual *ability and experience to head the pensions* function of this major British-based international group. A large proportion of the 10,000 plus employees are located in branch and subsidiary *operations throughout the world, providing* a variety of innovatory and administrative challenges which demand both *flair and* common sense.

You will need a good *ten years'* background of pensions fund administration, with first-hand experience of running a contracted-out, funded UK pension scheme. Additionally, you should have a knowledge of requirements and practices in other European and non-European countries.

Clearly an ability in one or more foreign languages would be a great advantage.

Your role will take you well beyond the narrowest confines of administration, and a sound understanding of investment matters, *consultation and negotiation*, and computerisation, will enable you to develop and improve already sophisticated systems. It is improbable that you could have gained a *sufficient depth of experience before age 35*, and the successful candidate would ideally be aged between 40 and 50. You should be able to demonstrate a good level of general education and high intelligence. PMI qualifications would be an advantage.

For further details, 'phone *David Wooll on 01-638 2158*, or write to him, enclosing brief career details, at The Personnel People, St. Alphage House, 2 Fore Street, London, EC2

The Personnel People
The Personnel Consultants in Executive and Technical Recruitment
London, Hertford, Birmingham, Edinburgh, Glasgow, Brussels, Dusseldorf.

SECRETARY to the Scottish Development Agency

The Scottish Development Agency has responsibilities for investment in the development and promotion of Scottish-based industry and the environment. These are carried out through a small top executive group, reporting directly to the Chief Executive, and the Secretary is one of this team. In addition to servicing the Board of Members and advising the Chief Executive on relevant aspects of the Agency's operation, the Secretary has a central registrar and informal communications role and will develop and supervise operations in the Legal, Personnel and Office Services divisions of the Agency. Candidates, possibly aged about 40, must have a record of administrative excellence in industry, commerce or the public sector. They will probably have a legal, secretarial or other relevant qualification backed by experience in staff administration, company secretarial work and commercial law. An annual salary is negotiable up to about £14,000. The appointment is based at the Agency's Glasgow headquarters. Applications should be submitted in confidence to the Agency Chief Executive, Lewis Robertson, at 120 Bothwell Street, Glasgow. The Agency will be advised by Selection Thomson Ltd. who will undertake initial interviews.

SENIOR ANALYST
Benefits

Gulf

Gulf Oil, *one of the world's leading integrated energy companies*, is seeking a Senior Analyst-Benefits for the benefits section in the London Human Resources Department. This section is responsible for development of new pension and benefit plans and updating of existing plans covering Gulf subsidiaries throughout the Eastern Hemisphere Region. Thus foreign travel will be involved.

The successful applicant will be a graduate with at least three years' experience in the development of pension and other benefit plans. A broad capability in all aspects of this work is required rather than specialist knowledge in a particular field.

Age range preferred 28-35 years. Salary will be negotiable and will reflect the importance attached to the position. Fringe benefits are competitive. There are excellent opportunities for advancement within the Gulf organisation.

Please write in the first instance to: —

Clare Hill,
Human Resources Department,
Gulf Oil Company - Eastern Hemisphere,
Gulf House, 2 Portman Street, London, W1H 0AN.
Telephone 01-493 3040 Ext. 3500

Group Secretary

London c. £10,000 + car

A diverse and successful public group of manufacturing companies has a vacancy for a Group Secretary at their London headquarters.

The normal range of secretarial duties are involved, covering property, insurance and administration, both for the parent company and its subsidiaries.

Applicants must have an appropriate professional qualification together with several years' relevant experience. The preferred age group is 35-45. *Ref: S3781/FT*

REPLIES will be forwarded direct, unopened and in strict confidence to the client unless addressed to our Security Manager listing companies to whom they should not be sent. They should include comprehensive career and salary details, not refer to previous correspondence with PA and quote the reference on the envelope.

PA Advertising

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874

PA

A member of PA International

Divisional Financial Director

To £12,000 + Car

- The company is a specialist manufacturer located in the northern home counties. It is part of a substantial international group, has a current turnover of £16m, and is keen to grow both organically and through acquisition.
- The position has been developed to direct and control finance and accounting and will provide the financial expertise to management decisions. It has overall responsibility for the accounting functions of three operating units.
- The person appointed will be a self motivated individual in his/her mid-late 30's, who has backed their qualification with experience in the light engineering or electronics industries — most probably at a senior management level.

Please reply in confidence, quoting ref. U819/FT giving concise personal, career and salary details to R. G. Billen — Executive Selection.

AMS
Arthur Young Management Services
Rolls House, 7 Rolls Buildings
Fetter Lane, London EC4A 1NL.

MANAGER, FINANCIAL ANALYSIS
SAUDI ARABIA

Circa £15,000 tax free + substantial benefits

Our client is one of Saudi Arabia's major trading companies and is expanding rapidly. They require a Manager, Financial Analysis, who will report directly to the Vice-President, Finance. He will be responsible for evaluating all forms of capital investment by the Group, together with the evaluation of the Group's utilisation of existing assets.
Applicants should be qualified accountants. They should have had at least five years' post-qualification experience in a commercial environment including direct involvement in investment analysis in a diversified group. The flexibility to work harmoniously with all levels of staff and to adapt to life in Saudi Arabia are essential. Fluency in English is essential. Knowledge of Arabic and the Middle East would be an added advantage.
The starting salary will be around £15,000 tax free. Additional benefits include free furnished housing and utilities, medical and life assurance and a car allowance. This is a career opportunity with prospects of rapid advancement within the Group.
Interested parties should telephone M. P. Quick or P. W. Walton quoting ref. 975, by May 4th for further information.

Touche Ross & Co. Management Consultants
4 London Wall Buildings,
London, EC2M 5UJ.
Tel: 01-588 6644.

GROUP TREASURER

As a result of important changes in our Group Finance function and promotion within the organisation, we are seeking to appoint a Group Treasurer to be based at our Head Office in Birmingham.

TI is a highly diversified group with a turnover in excess of £1,000m. It has major interests both in the UK and overseas, and it is important that candidates for this position have extensive experience in a substantial international organisation in areas which should include:

- *negotiation of short and long term finance*
- *cash forecasting and group cash management*
- *Exchange Control and Treasury requirements*
- *financial arrangements for overseas subsidiaries*

The position reports to the Group Financial Controller and is the senior Treasury position in the Group. As such, it is expected to provide advice to operating divisions and companies and be a focal point for contact with external financial organisations. Age is not a prime consideration but we would like to hear from suitably qualified candidates in their mid to late 30's.

There is an attractive package of salary and benefits which includes the provision of a company car and, where necessary, assistance with relocation expenses to the Midlands.

Please write with full details of qualifications, experience, salary, etc. to the Deputy Director of Personnel (Management Development & Resourcing), TI Personnel Department, TI House, Five Ways, Edgbaston, Birmingham, B16 8SQ.
This position is open to male and female applicants.

TI GROUP

Chief Accountant

c.£10,000 + car + benefits

Whitbread London Limited are an operating company within one of the country's largest and most successful brewing Groups.

Early next year we shall transfer from our headquarters at Kings Cross to modern offices in the centre of Luton. Before this move we wish to appoint a thoroughly professional man or woman as our Chief Accountant.

You will be responsible to the Finance Director for ensuring that all Financial Accounting and associated procedures operate with optimum efficiency together with the management of over 100 staff.

Your accountancy qualifications will need to be impeccable, supported by at least 10 years' varied post-qualification experience, including 5 years spent in commercial management.

We offer an excellent salary and conditions entirely consistent with the responsibility you will assume. A wide range of benefits will include assistance with relocation where necessary.

Please write to or phone for an application form: Lynn Cracknell, Recruitment Administrator, Whitbread & Co. Limited, Chiswell Street, London EC1Y 4SD. Tel: 01-606 4455. Please quote ref: WL/I.

WHITBREAD

Lawyer or Accountant

Major Unit Trust Group — To c. £10,000 plus car

Our client, based in the City, is one of the major forces in the Unit Trust field and in the total field of personal sector investment, taxation and financial planning. They seek a first class lawyer, or accountant to help develop their Technical Advisory Section.

You will probably be aged 28-35 and either be working in a similar role, or alternatively be a barrister, accountant or solicitor with experience in the field of personal taxation.

Your job will be to head a team providing support on legal, taxation and other matters to the Company's staff and to stockbrokers, insurance brokers, accountants, banks and lawyers. Our client pursues a continuous policy of technical development and the person joining will need not only a high degree of technical competence, but also considerable communication powers.

The generous salary will be complimented by a company car and excellent company benefits. Considerable prospects for further development exist in an atmosphere which is both informal and sophisticated.

Please reply, with brief details, to Colin Barry at Overton, Shirley & Barry (Management Consultants), 2nd Floor, Morley House, 26 Holborn Viaduct, London EC1A 2BP. Telephone: 01-353 1884. Candidate details will not be passed to clients until after an initial meeting.

Overton Shirley and Barry OSB

STANDARD CHARTERED MERCHANT BANK LIMITED

Due to planned expansion the following vacancies now exist:—
MANAGER, CORPORATE FINANCE — possibility of overseas work in the future.
The successful candidate will probably be a Business School Graduate with a technical qualification and a minimum of two years' experience of Corporate work.

Four posts at **ASSISTANT MANAGER** level to work in the following areas:—

LOANS ADMINISTRATION — to head and develop a small section handling sterling and foreign currency loans, Eurobonds and leasing.
CHARGED SECURITIES — to head a small section processing security taken for bank advances in both sterling and foreign currencies, liaison with lawyers, etc.
Candidates for the above posts should be aged between 30-35 with at least four years' relevant experience and probably A.I.B.
CREDIT ANALYSIS — to evaluate new facility applications etc. received by various divisions of the Bank, to review existing commitments and to undertake such research as may be required.
Age immaterial but applicants must have at least five years' in-depth experience in this field and be able to produce clear, accurate reports.
PROJECT FINANCE — to develop as a Negotiator in this expanding division. Aged 27-35 years with sound, practical experience of the operations of ECGD and/or Euro-currency lending.

In addition, opportunities exist for:—

SENIOR LENDING OFFICER — to work initially as a back-up to the Lending Team with the prospect of development as a Negotiator.
Aged 26-28 with previous experience of preparing loan documentation. Experience of credit work an advantage.
ACCOUNTING OFFICER — to work on preparation of monthly Accounts and Bank of England Returns.
Aged 22-29 with experience of bank accounting.
CHARGED SECURITIES CLERK — to process security taken for bank advances.
Aged 20-23 with good, basic banking experience preferably gained in a Clearing Bank.

For all these appointments attractive salaries are negotiable with excellent fringe benefits and career prospects.
Applications should include a curriculum vitae and be sent in confidence to
The Personnel Manager
STANDARD CHARTERED MERCHANT BANK LIMITED
33-36 Gracechurch Street, London EC3V 0AX

ACCOUNTANT

We are an international bank having as our shareholders some of the largest banks in Europe.
An opportunity exists for a chartered accountant to take charge of a small team responsible for all aspects of the bank's accounting functions.

The successful applicant will probably be aged 25-35 and will have had at least two years' practical experience in a bank's accounting environment. He or she will be mature in outlook, yet ambitious, as career prospects are excellent.

There will be an attractive basic salary together with the ancillary benefits associated with banking employment.

Applications with detailed curriculum vitae should be sent to:

Mr. Peter Packham
London and Continental Bankers Limited
2, Throgmorton Avenue, London EC2N 2AP

HK

COMPANY SECRETARY

Public Company N. London — **c. £10,000 + car & benefits**

Due to continued expansion, we need a professionally qualified person to take over the duties of Company Secretary and certain functions involving accounting and top level administration. The successful candidate will control 85 staff and have excellent opportunities to expand his/her scope and influence.

The Group has achieved a 25% p.a. compound growth rate since 1970 and is a leader in the field of multiple retail furnishing with a turnover now approaching £30m.

If you have a mind for detail, good commercial experience and the ability and determination to maintain a level of performance well above the average, please send your career details, in strict confidence, to:

H.R. Fair, FCA, Director, Henderson-Kenton Limited, Blue-Star House, Highgate Hill, London N19 5PF.

ROWE AND PITMAN

a leading London firm of Stockbrokers

require a Settlement Clerk for the American Desk of their Foreign Department. A basic knowledge of settlement and office procedures is required. Good salary and conditions including a profit sharing bonus scheme.

Write with details to:
P. N. Smith, Esq., Staff Manager
Rowe & Pitman, 1st Floor, City-Gate House
39-45 Finsbury Square, London EC2A 1JA

FINANCIAL DIRECTOR DESIGNATE

£12,000 + car — Scotland

This Company is in a growth sector of engineering and has an excellent record of profits. It is part of a major group with significant resources and plans for further expansion. The accounting function has been established but now needs a senior person to take overall charge, initially as Financial Controller, who can develop rapidly to become Financial Director. The position reports to the Chief Executive and calls for a Chartered Accountant ideally aged 35-42, with a background of real achievement in heavy industry. The responsibilities in addition to financial control, cover the treasury function in the full sense, negotiations with banks, ECGD cover, performance bonds, financing of overseas contracts and a commercial role. Experience of engineering; ship-repairing; contracting; overseas negotiations and financing and/or the oil industry would be especially relevant.

There is an excellent remuneration package which includes car, BUPA, relocation, pension and life assurance.

Candidates, male or female, should send a detailed career history to the consultant advising on this position, quoting reference G41/FT.

JWT Recruitment Ltd
Executive Recruitment & Selection
40 Berkeley Square London W1X 6AD 01-629 9496

Gilt Edged Manager

The fixed interest assets of this major insurance group have doubled since 1976 and further increase of assets under management is planned.

This strong growth situation calls for a manager experienced and knowledgeable in the technical opportunities of the gilt edged market and investment techniques, enabling you to enhance portfolio performance and analyses, make timely contributions to strategy and policy decisions, and be substantially involved in product development and rate setting. Aged 25-35, with a degree or other appropriate qualification, your drive and initiative should lead soon to more senior management opportunities.

A five figure salary and appropriate fringe benefits including possible mortgage assistance could be available for candidates with the right experience and ability. City location.

Applicants, male or female, please send full details of qualifications and experience, quoting reference 1354KS/FT to:

Robert Lee International
24 BERKELEY SQUARE LONDON W1X 6AR.

YOUNG QUALIFIED C.A. TAX IN INDUSTRY

London WC1 — **Emoluments to £9,000**

Our client is a major British group with significant world-wide interests.

The Group's tax function has grown substantially over recent years and further recruitment is now planned to continue the development of in-house expertise. The successful candidate will report to a senior Taxation Adviser, and initial responsibilities will reflect the nature of his/her previous experience. However, it is planned that the role will develop to encompass both computational work, and tax planning in conjuction with the development of group taxation policies.

Candidates will be qualified accountants, probably aged in their mid/late 20's who should have specialised in corporate taxation for at least one year. They should demonstrate the ability to work independently, have a committed attitude and the ambition to develop a tax career within a challenging environment.

For further information and a personal history form please contact either Nigel V. Smith, A.C.A. or Peter Dawson quoting reference 2452.

Commercial/Industrial Division
Douglas Llambias Associates Ltd.
Accountancy & Management Recruitment Consultants,
410, Strand, London WC2R 0NS. Tel: 01-836 9501
121, St. Vincent Street, Glasgow G2 5HW. Tel. 041-226 3101
3, Coates Place, Edinburgh EH3 7AA. Tel: 031-225 7744

DLA

FINANCIAL DIRECTOR

Erith, Kent — **£10,000-£12,000 + Car**

Our client is a long-established company in the Electronics Industry, engaged in the manufacture of a range of communications equipment. World-wide sales total £3 million and steady growth is forecast.

The Financial Director will strengthen the company's management team and be concerned with general company policy-making as well as control of the finance function. Important aspects of the work will include corporate planning and further development of management information systems.

The enthusiasm to meet a challenge and contribute to the company's performance is essential for success in this appointment. Qualified accountants, probably in their late 30's, with broad-based experience gained in manufacturing industry should apply for this position, which offers good career prospects commensurate with the growth potential of the company.

For further details and a personal history form, please contact Neville Mills A.C.I.S., or Lindsey Pratten B.A. quoting reference 2447.

Commercial/Industrial Division
Douglas Llambias Associates Ltd.
Accountancy & Management Recruitment Consultants,
410, Strand, London WC2R 0NS. Tel: 01-836 9501
121, St. Vincent Street, Glasgow G2 5HW. Tel: 041-226 3101
3, Coates Place, Edinburgh EH3 7AA. Tel: 031-225 7744

DLA

Board Level Consultants

Board appointments – executive team building – remuneration and acquisition services

London Manchester Edinburgh — **£17,000 upwards**

The firm is widely regarded as the leading international consultancy in the field of helping clients to recruit, organise, retain and develop the right management team to meet their corporate objectives.

Some 80 consultants in over 20 offices around the world provide a number of management services, including notably executive search, to the Chairmen and Chief Executives of organisations both in public and private sectors. The firm is wholly-owned by the professional staff.

The steady expansion of client work in recent years requires the addition of at least two consultants to the U.K. practice.

Applications are invited from men or women who may currently be working in industry, commerce or consultancy. Applicants, who should be between 35 and 45, must be able to demonstrate a successful record in dealing with management problems in a senior line or advisory position.

A degree or a professional qualification is an essential requirement. Preference will be given to those applicants with overseas management experience and an ability to speak one other European language.

Replies containing comprehensive career details, and quoting reference S42/FT will be forwarded direct to our Client. Covering letters addressed to the Security Manager listing companies to whom your application should not be passed will be intercepted and your instructions noted.

JWT Recruitment Ltd, 40 Berkeley Square, London W1X 6AD.

International Financial Planning

GENEVA BASED

Our subsidiary company based in Geneva wishes to recruit a suitably qualified person to extend their operations in the field of Personal Financial Planning.

It is anticipated that the successful candidate will be in the age group 28/35. He or she must hold the Institute of Bankers Trustee Diploma and have fluent French.

The position will cover all aspects relating to the administration of International Trusteeships/Offshore Companies and will involve meeting clients and their advisers.

Initially there will be a period of 6/9 months based in London before taking up the appointment in Geneva.

A competitive compensation package, commensurate with Switzerland will be offered. Interviews to be held initially in London.

Please write giving full details of career to date to:- M. L. Darby, Assistant Personnel Manager, Kleinwort, Benson Limited, 20 Fenchurch Street, London EC3P 3DB.

KLEINWORT, BENSON
Merchant Bankers

REGIONAL ACCOUNTANT

NORTH WEST LONDON — **SALARY FROM £8,500**

Our client is a major group engaged in the production and supply of materials for the construction industry. Their U.K. turnover is in excess of £40m. and future growth is assured.

They seek a Qualified Chartered Accountant (age 28-40) to assume responsibility for the total finance and accounting function of the group's Southern Region. This position covers control and motivation of 16 staff together with the production of comprehensive management information and reports. The position reports to the Group Financial Controller.

Applicants should be able to demonstrate experience gained in an industrial/commercial environment together with the ability to communicate with all levels of management and staff.

The company offer a negotiable salary from £8,500 plus benefits according to age and experience.

Interested applicants should telephone or write to Roger Tipple who will be pleased to call or meet you outside business hours should this be more suitable.

Michael Page Partnership
18/19 SANDLAND ST. BEDFORD ROW LONDON WC1
01-242 0965/8

Chief Accountant/ Company Secretary

Tanzania

A major international group requires a qualified and commercially experienced accountant for its tea estates in southern Tanzania. The estates employ some 3 thousand people and turnover is currently around £4 million.

The person appointed will report to the Finance and Administration Director, will be responsible for the normal finance functions including the provision of financial information for executive decision making and will also carry out the duties of company secretary.

All applicants should, in addition to the necessary skills to carry out these duties, enjoy an involvement in the training and development of staff. Previous overseas experience preferably in Africa, would be an additional advantage.

The post carries an attractive employment package, commensurate with the benefits offered by a large group, which includes a competitive salary, generous overseas leave, free fully furnished accommodation, education allowance, a company car and free medical treatment. The appointment would be based on a 24 month contract and there are good prospects for long term employment with the group.

Replies will be opened and acknowledged and forwarded direct to our client unless reference is made to any company to which your application may not be sent.

Please write to A. C. Crompton quoting reference 792/FT on both envelope and letter.

Deloitte Haskins+Sells
Management Consultants
128 Queen Victoria Street, London EC4P 4JX

Group Management Accountant

up to £10,000 and car

Fairey Holdings Ltd., heads a group comprising a number of companies engaged in advanced engineering. The Group is profitable and expanding.

Fairey Holdings is now seeking a Management Accountant to provide further strength to its Finance Department based at Heston in Middlesex. The position will be responsible to the Finance Director for the maintenance of financial controls and the development and use of management information in the operating companies. Some travel in the UK and occasionally overseas will therefore be required.

Applicants should be qualified accountants with appropriate industrial experience in the age range 30-40.

Salary will be negotiated in the range £8,000—£10,000 p.a., a car will be provided and there is a contributory pension and life assurance scheme.

Applications to the Finance Director with full details of qualifications and career should be marked confidential and addressed through R. J. Coyle, Company Secretary, Fairey Holdings Limited, Cranford Lane, Heston, Hounslow, Middlesex TW5 9NQ.

Fairey

Financial Accountant

Potters Bar circa £7,500

Southern British Road Services Limited, part of the UK's largest transport and distribution organisation, is an autonomous operating company with a current annual turnover in excess of £21 million.

As Financial Accountant, you will be responsible to the Financial Director for the organisation and control of the company's accounting function, with the aim of achieving the optimum profitable use of company resources. The emphasis will be on the control of the financial systems cash flow, the organisation of an accounting office and responsibility for statutory accounts.

This is a senior company position and to apply you should be an experienced qualified Accountant with highly developed communication skills at all levels. The ability to contribute significantly to the formulation of business development plans is a key requirement. The negotiable salary will backed by the usual large company benefits.

Write with brief career details to: Mr. C. D. Smith, Personnel Manager,

Southern British Road Services Limited,
Station House, Darkes Lane, Potters Bar, Herts EN6 1AL. Or phone Potters Bar (0707) 42381 for an application form.

Chief Accountant

Up to £10,000+Company car

Crawley West Sussex

This is a new and challenging position in our U.K. headquarters in Crawley, West Sussex.

Reporting to the company secretary, your responsibilities will encompass a wide range of financial accounting and related administrative activities.

As part of a young forward looking management team you will be reporting results and forecasts to management and helping to develop EDP systems in your area.

You should be a qualified accountant aged 28-40 with sufficient previous experience, including exposure to U.S. accounting systems, general administration and man management to enable you to make an immediate and effective impact in the job. A planned career move is likely within two years.

Conditions of employment and fringe benefits including full relocation expenses are in keeping with our standing as a multi-national company.

Please apply with full c.v. to Mike Amos, Personnel Manager, U.K., Mallory Batteries Limited, Gatwick Road, Crawley, West Sussex RH10 2PA.

Mallory Duracell—the leading world-wide producer of dry cell premium batteries—with a growth rate of 25% per annum compound—offers exciting and attractive development opportunities.

MALLORY DURACELL

C&L

N. Midlands — **c £12,000 + car**

FINANCIAL DIRECTOR

The Company A long established engineering company with a world-wide reputation for the quality of its product range. A subsidiary of a leading U.K. quoted group.

The Job Total responsibility for the finance and commercial functions. Involvement in the negotiation and control of large contracts at home and overseas will be a major feature.

The Candidate A qualified accountant, with extensive experience of contract management, preferably in an engineering environment.

Brief but comprehensive details of career and salary to date, which will be treated in confidence, should be sent to E. H. Simpson, Executive Selection Division, Ref. SA793, at the address below. Please include a daytime telephone number at which you may be contacted.

COOPERS & LYBRAND ASSOCIATES LTD.
Management Consultants
Shelley House, Noble Street, London, EC2V 7DQ.

Financial Planning Manager

Central London — **£10k+car**

Our client is a very successful international Group with sales expected to exceed £80m. in the coming financial year. The growth has been dramatic in recent years as a result of both organic expansion and recently an active acquisition programme designed to diversify the business.

As a consequence of this growth the Group now wishes to strengthen the financial control function at the corporate level. *The Financial Planning Manager will head-up and help* establish a small team whose concern will be the synthesis of detailed balance sheet data into management information for investment analysis, asset management, exposure management and transfer pricing.

The position will appeal to chartered accountants who have wide experience of consolidation of financial accounts and who now wish to advance their careers.

Age range likely to be 27+ and candidates must be business orientated and capable of an immediate contribution in a rapidly changing and growth orientated environment.

Salary will be in the region of £10,000+car, fringe benefits are good and include relocation assistance where appropriate.

Initial interviews are conducted by our consultants. Brief career details in strict confidence to: Andrews, Senior Recruitment and Search, 30 Baker Street, London W1.

ANDREWS
SENIOR RECRUITMENT & SEARCH

Taxation Specialist

around £10,000 — **Horsham, Sussex**

Sun Alliance, a leading composite insurance group with annual premium income *in excess of £600m, seeks a Qualified Accountant to join a small, specialist team* handling the Group's international taxation matters. Based at our Head Office in Horsham, the successful candidate will undertake a wide range of complex tasks involving the extensive coverage of UK and overseas taxation to be expected in a major, international organisation.

Candidates, probably in their late 20's, should have several years' post-qualification experience of company tax and good communication skills. The potential and *ambition to progress to a more responsible position within the next few years are* essential.

Remuneration package will be around £10,000. Excellent benefits include first class pension scheme, extensive sports and social facilities and, where appropriate, relocation expenses.

For further information/application form, please contact T. Glover, Senior Recruitment Adviser, Sun Alliance Insurance Group, 1, Bartholomew Lane, London EC2N 2AB. Tel: 01-588 2345, ext. 1181.

SUN ALLIANCE
INSURANCE GROUP

ONE OF THE LARGEST REINSURANCE GROUPS (1978 TURNOVER: £318 MILLION)

SOCIETE COMMERCIALE DE REASSURANCE (SCOR)

is looking for its

BANKERS' BLANKET BOND INSURANCE SPECIALIST

to underwrite a London Account on behalf of SCOR (U.K.) REINSURANCE COMPANY LIMITED and FEDERATION GENERAL INSURANCE COMPANY LIMITED, its U.K. subsidiaries with an overall premium income in excess of £32 million.

The Group requires either an Insurance Underwriter with proven experience in this class or a Banker well versed in internal procedures and legal matters. In the latter case, the company will give this person a complete insurance training and provide all the necessary facilities for surveying the physical protection of the insureds.

As it is intended that the candidate shall control the Group's activities in this field, this appointment involves some limited travelling for liaison with Paris Head Office and contact with clients. This position offers an exceptional degree of autonomy, long-term prospects and excellent conditions of service as the reward for the challenge it involves.

Please write to the Managing Director
SCOR (U.K.) REINSURANCE COMPANY LTD.
Plantation House, 23 Rood Lane, London EC3M 3HU Telephone: 01-623 5135
who will personally deal with all the applications in the strictest confidence.

BURGE & CO.

are looking for an experienced

PARTNERS ASSISTANT

with flair and ambition to work on their dealing desk. Candidates would need to be conversant with general Stock Exchange procedures and to enjoy a competitive atmosphere.

Ring Peter Bidder on 606 4020

Jonathan Wren · Banking Appointments

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BL parity formula agreed

By Alan Pike, Labour Correspondent

AGREEMENT on a formula to resolve pay parity problems at BL was reached between the company and leaders of the Confederation of Shipbuilding and Engineering Unions and will be recommended to all employees on Tuesday after consideration by the union side of the joint negotiating committee.

Two weeks' ago union leaders broke off talks with the company after BL announced that it was going to make parity payments to five plants where this was justified by productivity. The unions had wanted all plants to come up to the new common wage levels on a joint basis.

Basis

One of the important outcomes of the meeting is that union leaders now have a clearer idea of the basis on which the company is calculating the productivity which justifies parity payments.

The original intention was that all plant should reach parity by November and there is the prospect of some others joining the five factories which the company has already decided can receive the payments earlier than this.

German company has type-set European edition of Times

BY GUY HAWTIN IN FRANKFURT

THE TIMES European weekly edition seems almost certain to appear on the news stands. It has already been set in type in West Germany and delivered to the printers. However, the West German print union is attempting to prevent the appearance of a second edition.

Representatives of Industriegewerkschaft Druck und Papier (IG Druck), the big German print union, yesterday met management and men of the type-setting firm involved to prevent the setting of subsequent editions. After the meeting they seemed confident that agreement not to set type for the edition would be reached.

The Times European edition was type-set by the small Darmstadt type-setting company, Gutfreund und Sohn, who are understood not to have printing capacity. The printer is believed to be Tehrdruckerei, a Turkish-owned printing concern, based in Zeppeinheim, near Frankfurt.

Although Tehrdruckerei, the subsidiary of the Tergeman Turkish newspaper group, is believed to be a non-union shop, IG Druck believes that they can also be persuaded not to print a second edition. "We think we can do something about that," said an IG Druck spokesman.

IG Druck is giving its full support to the National Graphical Association, the British craft printing union, which has appealed for German union help in preventing publication. How far support will go is not yet clear, but it is believed by a leading German labour lawyer that sympathy strikes in such a case as this could well be within German labour law.

According to the IG Druck spokesman, The Times plans to set up a company in Darmstadt to publish the European edition. It is claimed that the initial print run will be about 12,000 copies — this is in contrast to recent estimates that have put the print as high as 35,000 copies.

Surprise

However, the IG Druck spokesman admitted that there appeared to be little that it could do to prevent the appearance of the first edition. By the time they started to take action yeserday the first edition was already in type and delivered to the printers, he said.

The IG Druck stand will come as a surprise to many observers of the German trade union scene. Trade unionists in the Federal Republic generally have little sympathy with their British counterparts, whom they regard as strike-happy.

However, IG Druck has, itself, fought a hard battle with employers over the introduction of new technology—the cause of the dispute at The Times — and the issue is, as yet, only partially resolved. While direct input by journalists, who through video terminals set their own "copy" in type, is allowed in certain circumstances, it does not appear to be operating to full potential in most houses.

According to German print organisations there have been few redundancies as a result of the introduction of new technology.

Pauline Clark in London writes: The Times reported yesterday that an increased number of staff had turned up for work compared with a few weeks ago, and many were members of the National Union of Journalists.

This followed the journalists' chapel (union branch) decision on Tuesday night to reject an instruction by their union's executive council not to work for the European edition.

Management welcomed the journalists' agreement to decide individually whether to cross the picket line set up by the National Graphical Association.

Mr. John Mitchell, national officer in the National Society of Operative Printers, Graphical and Media Personnel and secretary of the Times union branches liaison committee, said yesterday that "the peaceful nature of the NGA picket line may well change as a result of the journalists' decision."

Mr. Les Dixon, general president of the NGA is expected to meet the journalists later this week to try to persuade them to change their policy.

Management said it was adopting a "wait and see" attitude on whether action would be taken to prevent the edition.

● Mr. Jack Ecclestone, the next president of the National Union of Journalists and leader of The Times NUJ members, has failed for the second successive year to win a seat on the union's executive.

Picket halted

PICKETS at Dunlop's Coventry plant withdrew yesterday after a warning from the workforce that unless they moved, counter pickets would be brought in to ensure that lorries were allowed into the plant. Some of the pickets have indicated however, that they will return to the factory.

Strike-free repair yard renews pact

By Ray Perman, Scottish Correspondent

A UNION agreement which has kept a Clydeside shiprepair yard strike-free and profitable for two years was renewed yesterday for two years.

The original agreement, signed by the Confederation of Shipbuilding and Engineering Unions and Clydedock Engineering, enabled the company to take over a rundown yard at Govan, Glasgow, and create 250 jobs.

The unions agreed to guarantee a two-year period without disputes, and to relax demarcation lines between skilled trades. In return, they were guaranteed security of employment and promised that any money taken out of the company by shareholders would be matched pound for pound in bonuses for workers.

In the first year, Clydedock made a pre-tax profit of £258,000.

Mr. Bert Ellison, managing director, said yesterday: "The customer now has complete confidence in placing vessels here, knowing that the work will be carried out free of disruption and with efficient use of management, labour and materials.

"We also have an agreement with our employees which allows ships' crews to work on board while vessels are in our yard."

TUC jobs challenge to political parties on new technology

BY CHRISTIAN TYLER, LABOUR EDITOR

THE FIRST collective trade union response to the employment consequences of new technology was agreed yesterday by the General Council of the TUC.

The most significant part of its strategy, from the employers' point of view, is a set of negotiating guidelines for shop stewards and local officials, advising them how to react to company plans for the introduction of labour-saving equipment.

Introducing the report Mr. Len Murray, TUC general secretary, called on the political parties to answer certain key questions about their attitudes to technological change — adding that "apprehensions," had been expressed on the Conservative approach.

In particular he wanted to know if they supported Government and National Enterprise Board initiatives in creating a major UK capability in micro-electronics manufacturing.

Did they accept the need for a "massive" public agencies programme of employment and training and for workpeople to be involved fully in planning for change.

In addition he asked if they accepted the need for major changes in work and leisure, including more flexible working arrangements for working mothers.

Despite fears to the contrary, the TUC does not like resistance to change, and even recommends unions to look for more efficient working methods and new products.

But its interim report, called "Employment and Technology," does warn that unless job and income security can be guaranteed, and some genuine job creation results from new technology, workers will "naturally" oppose changes.

In order to secure some control over technology, especially the challenge of micro-electronic equipment, unions are urged to use their collective bargaining power to secure "new technology agreements."

Shop stewards, it says, should refuse to allow the unilateral introduction of plants that have a big effect on jobs; but in reurn they should sometimes take the initiative "to avoid a belated and inadequate management decision."

Unions are encouraged to set up joint committees to meet management in technology working parties.

Negotiators should try to change "undesirable" parts of company plans at the early stages, and insist on status quo clauses in their eventual agreements. They are told to resist job cuts as far as possible and press employers to use technology for an increase in output or for diversification.

The TUC couples its advice with a demand for a shorter working week, year and life for employees.

Rail pay deal looks sealed at 12-13%

BY NICK GARNETT, LABOUR STAFF

BRITISH RAIL appeared yesterday to have reached agreement with its three unions on a pay deal for 180,000 workers.

The executive of the National Union of Railwaymen accepted management's offer averaging 12 to 13 per cent, although it is asking that a disagreement over consolidation of a pay supplement should go to arbitration.

The train drivers' union, ASLEF and the Transport, Salaried Staffs' Association have not formally told the British Railways Board that they accept the offer, but have indicated clearly that it is acceptable.

During pay negotiations on Tuesday, the NUR was the only union to show dissatisfaction with the board's proposals on consolidation but decided yesterday that this should not prevent the pay offer being implemented immediately.

The deal involves 9.3 per cent of new money with full consolidation into basic rates of the national business performance productivity scheme.

A 5 per cent increase per turn for train drivers proposed by tribunal is also consolidated giving 4 per cent—£2.50 a week—to mainline drivers.

To help preserve differentials about 1,500 signalmen and signal and telecommunications technicians will receive £2.50 increases on their basic weekly rates.

The board, however, has refused to consolidate more than £2 of the £6 Phase One pay supplement. It is this issue which the NUR, which will be supported by the other unions, wants to be taken to arbitration.

Although the deal is worth about 12 to 13 per cent, some drivers, signalmen and technicians will receive more.

As part of the package, the unions have agreed to manning changes for the new Class 56 freight locomotives.

Stoppages involve 1.88m

BY COLLEEN TOOMEY

A BIG rise in working days lost and in the number of people laid off during industrial disputes between the first three months of this year and the same period last year is shown in the Department of Employment's latest quarterly figures.

The prime cause for stoppages in the three months to March continued to be demands for higher wages and earnings.

The disputes, including strikes by lorry drivers and public service workers, led to 530 stoppages involving 1.88m workers and 5.31m working days were lost up to the end of March. In the same period last year there were 616 stoppages involving 256,700 workers and 1.82m working days were lost.

Stoppages beginning in March totalled 153 and 88 strikes were carried over from the previous month. About 171,600 workers were laid off in March, 151,300 being directly involved in disputes and 20,300 indirectly involved.

About 65,000 people were laid off work from stoppages which started in previous months. In March alone, 507,000 days were lost.

Employment in British industry rose by 82,000 in the fourth quarter of 1978, bringing the total employed to 22.33m.

Women employees accounted for over three-quarters of the increase. In the fourth quarter 65,000 women were employed, giving a total of 9.25m, compared with an increase of 17,000 for male employees, taking the total to 13.09m.

THE MARKETING SCENE

EDITED BY MICHAEL THOMPSON-NOEL

ADVERTISING GROWTH

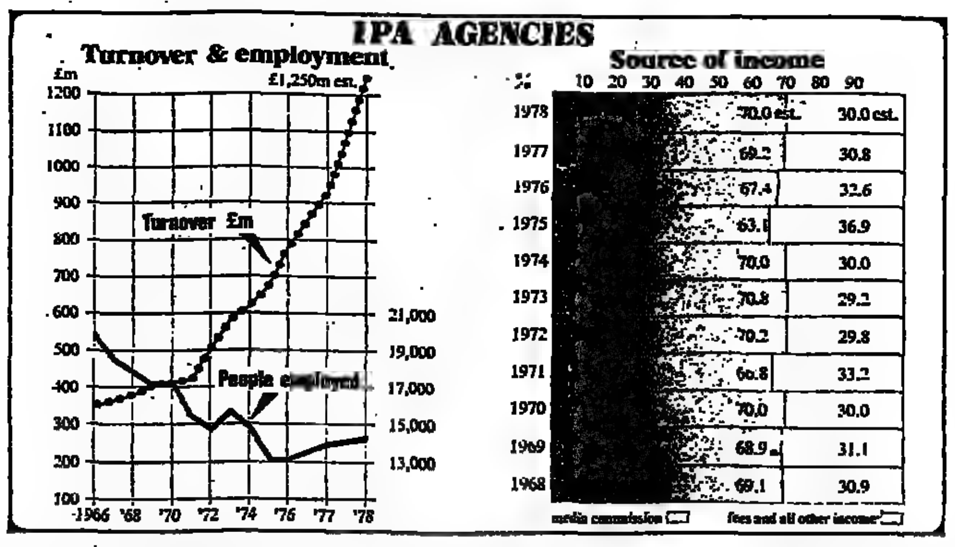
Agency turnover up by 25%

BY MICHAEL THOMPSON-NOEL

AS A REFLECTION of last year's advertising growth, the numbers employed by member agencies of the Institute of Practitioners in Advertising showed a gain from 13,900 the year before to approximately 14,700.

Although modest compared with the figure of 10 years ago—the graph shows the marked shake-out in agency employment that accompanied the 1974-76 recession in advertising—the IPA says the current employment level reflects the determination of agencies to attract young people of talent into the advertising business as an investment in the future.

According to the IPA's latest report, the media value of advertising placed by its 307 member agencies last year reached £1.25bn, compared with an estimated £995m a year earlier. While much of that increase reflects inflation, it was also a year of real growth in the output of Adland, rubbing home the point that any agency that failed to score reasonable turnover and income gains in last year's favourable climate must have had other things on its mind.



Profit levels

Altogether, the IPA reckons its member agencies account for nearly 90 per cent of total agency turnover. On average last year, agency income as a percentage of billings was estimated at 16 per cent. Of total agency income, 70 per cent derived from media commissions, the rest from fees. "It will be interesting to study the extent to which this division between commission and fees changes over the next few years following the new forms of media recognition agreements," *says the IPA*, "although if United States experience is a guide, the change will not be dramatic."

The IPA hazards no estimate of agency profit levels last year, though help is at hand in the *annual* report of the Saatchi and Saatchi Company. Saatchi's own pre-tax profit last year moved smartly ahead to £1.87m compared with £1.25m the previous year, on an improved margin of 3.1 per cent (2.9 per cent in 1977). According to Saatchi's estimate, the total pre-tax profits of all IPA agencies last year was £30.3m against £25.4m in *1977 and £15.4m a year earlier.* The IPA agencies' average margin last year was probably 2.65 per cent, says Saatchi, compared with 2.55 per cent in 1977. Figures like those go a long way towards explaining Saatchi's current five-star status in the City, as well as the speed with which its share price has bounded since Christmas.

Apart from the boom-like conditions of 1978, the major feature of the year, says the IPA, was the increased pressures that slanted in on advertising agencies from all sides.

"Chief among these must be the examination by the Office of Fair Trading of the media recognition agreements and the decision by the Newspaper Publishers Association and the Newspaper Society to substantially modify these agreements in order to accommodate the OFT interpretation of the Restrictive Practices Act."

A second major challenge last year, says the IPA, was the examination of the working of the self-regulatory copy control system by the OFT in collaboration with the Consumers Association in what the IPA describes as the most searching study of its kind ever carried out, in this or any other country.

"It says a great deal for the system and for the vigilant work of the Advertising Standards Authority, that the OFT was able to report that basically the system was working well but that with some further fine tuning, the self-regulatory system was well able to provide adequate protection for consumers."

The IPA delivers a hard slap to the Press. "Shortfalls in circulation make efficient planning of advertising budgets an extremely speculative activity. Whilst formulae were arrived at to provide for some level of compensation to meet circulation losses, this is a poor substitute to the advertiser who is relying upon full circulation in order to sell his products."

Concern

The IPA also restates its views on the future of broadcasting, and says it has conducted a *detailed* review of television costs and selling practices. Its main recommendation was to advocate the selling of all available airtime and to encourage the contractors to develop offpeak audiences with new programming.

Belatedly, some may think, the IPA notes that concern has been expressed at the growing proportion of manufacturers' consumer ad appropriations that are being passed to retailers, so that the advertiser has no control over them. It says it is preparing a paper to underline the long-term need for better marketing and advertising of branded goods, "particularly as many manufacturers do not fully appreciate the implications of the reduced number of buying points and also the increase in own-branding."

If that is still true, after the flood of analysis that followed Stephen King's work on the "crisis in branding" last year, then Britain is indeed in the grip of highly slothful manufacturers.

● Six new members of the IPA council have been elected: Tim Bell, chairman of Saatchi and Saatchi Garland-Compton; Roger Edwards, managing director at Leo Burnett; David Lee, chairman of D'Arcy-MacManus and Masius; David Lowe, a deputy m.d. at Roles and Parker; Stanley Pollitt, joint chairman of Boase Massimi Pollitt Univas, and Richard Venables, chairman of Ogilvy Benson and Mather.

Barriers real and bizarre

TO COUNTERACT some of the silliness that inevitably creeps in, the advertising business in Britain is fortunate in its choice of spokesmen. The Advertising *Association performs minor* miracles in its tireless education of politicians, leading them gently towards an understanding of the role of advertising in a market economy, even if the task is roughly equivalent to an annual reinvention of the wheel, writes **Michael Thompson-Noel.**

The agencies themselves also provide a handful of skilled spokesmen, more than half of whom appear to reside at J. Walter Thompson, advertising's own brand leader.

Things are quiet on the advertising front at present. Mr. Hattersley has been obliged to address himself to the election. Brussels is quiescent. And the advertising business has recently redemolished some of the quainter shibboleths with which it has to contend. Dr. Duncan Reekie of Edinburgh University has flattened the notion that advertising pushes up price, while Stephen King of JWT worked long nights last winter to disabuse the Price Commission of its belief that in many markets, advertising constitutes a barrier to the entry of new brands. Mr. King handed the Price Commission a paper on this subject last *November, a shortened version* of which is published by the Advertising Association in its current quarterly review.

There must be *some* barriers to market entry, Mr. King explains, because so few new products succeed. (Of 400 new food products launched nationally in 1965, 49 per cent had disappeared from the shops by 1969, 69 per cent by 1973 and 78 per cent by 1975).

What are the true barriers to entry? The first, Mr. King patiently explains, is low profitability. "To put it starkly, the manufacturer thinking of entering the 'average' market would be facing a prospect, with his proposed new brand, of a one-in-ten chance of earning around 5 *per cent on his capital. This* barrier certainly rules out markets that are not well above average for profitability."

A second barrier is the need in many markets for heavy capital investment. A third specific barrier at the planning stage is patents. But assume, says Mr. King, that a manufacturer has got thus far, that he has chosen a market that looks reasonably profitable, can manage the costs and risks of investment and faces no problems with patents.

He is at once confronted by barrier No. 4: the natural scepticism of retailers. And there is a fifth one looming up: the need for a new brand to be better and different. Countless *analyses, post-mortems and* research studies have underlined that improved performance and brand distinctiveness are crucially important to a new product's success.

As for the advertising of established brands, says Mr. King, that is all part and parcel of the commercial process. It is bizarre in the extreme to construe it as a barrier to entry unless one names as the sixth barrier the efficiency of competitors.

"Obviously it is much harder to succeed with a new brand if it faces competitors who have efficient production, quality control, reliability; who innovate regularly with design improvements and new variants; who have *up-to-date* and efficient distribution systems; efficient cost-control and competitive pricing; who use advertising efficiently, and so on."

But that's not a barrier. That's life.

Roe and Partners becomes Saatchi International

WITH A LEAP and a bound, the Saatchi and Saatchi Company has transmogrified its second string consumer agency, Roe and Partners, into a new subsidiary, Saatchi and Saatchi International. Plans for the new subsidiary were announced two weeks ago when Nigel Grandfield, formerly chairman of McCann-Erickson in London, left the Interpublic fold to join Saatchi's.

Mr. Grandfield becomes chairman and chief executive of the new subsidiary, with Graeme Roe, formerly chairman of Roe and Partners, as deputy chairman. Following the resignation of R and P managing director Paul Forster and creative director Paul Wilmot, Mr. Roe will act as managing director until a new m.d., creative *director and other Board* appointments are announced. put us in togerther."

Mr. Forster said last night that he and Mr. Wilmot had decided to quit four months ago and that the Roe reorganisation was a "sensible expedient."

Saatchi International is planned as an autonomous subsidiary handling international projects for multi-national advertisers who want a strong co-ordinating team in the UK. Mr. Roe says there will be no conflict between that ambition and the domestic requirements of existing clients. Current billings are aproximately £5m. The Roe and Partners' client lists includes the Advertising Standards Authority, Stanley Tool, Boots, Richardson-Merrell and Cadbury-Schweppes household products division.

Mr. Roe explained yesterday that for some time he had believed there was an opportunity for a substantially bigger *second agency within the* Saatchi group. (The main agency, Saatchi and Saatchi Garland-Compton, is currently billing £60m-plus; the group has several regional subsidiaries, including *Roe and Partners*, Gloucester, which is not affected by the transformation of the main Roe agency).

The group had looked around for a suitable agency to buy, said Mr. Roe, but had found nothing worthwhile. "Then Nigel Grandfield approached Saatchi's. He has a considerable reputation for working for international clients and as we have exactly the same ideas on advertising, it seemed logical to put us in together.

● THE COI HAS reappointed Young and Rubicam to handle energy conservation advertising for the Department of Energy following a pitch against Boase Massimi, Doyle Dane Bernbach and Wasey Campbell-Ewald. Billing in 1978-79 was £2.4m. *Y&R also handles Royal Navy* recruitment, Royal Mint sales, seat belt advertising and centralised TV time-buying for the COI.

Phillips makes its bid

BY ANTONY THORNCROFT

PHILLIPS, third in size after Sotheby's and Christie's among the London auction houses and therefore the one that tries very, very hard, is enlivening the art world considerably this week by launching a television advertising campaign tomorrow. This is the first time a saleroom has used TV, and with peak spots, concentrated in news programmes over three week-ends, Phillips should stir up the market.

The aim is to bring more items to Phillips — its specialists will be showing works of art and telephone lines will be manned until 11 pm for viewers who think they have similar valuables. In addition there will be a Press and poster campaign, for a total expenditure of £200,000-plus.

The posters will be concentrated on Bond Street Underground Station, on the new Jubilee Line, which opens on April 30. Phillips is adjacent to the station and has grabbed every one of the 200 sites on the Jubilee Line station for three months at a cost of £5,000. In addition there will be a six-month campaign on London buses.

According to Christopher Weston, chairman of Phillips, the more popular approach follows changes in the auction rooms. "Recent experience has shown us that vendors are very much a changing breed. More and more new people are interested in the saleroom scene."

The advertising is being handled by Michael Robinson Associates, with the TV commercials produced by Lawson Duffick. A feature of the Underground posters will be their milking of proven advertising slogans. "Phillips is Good for You" and "We Try Harder" will be just two of the posters to be seen from the escalators.

Phillips had a turnover of almost £27.5m last year, still way behind Sotheby's and Christie's. Both its big competitors have viewed advertising rather cautiously in the past, although Christie's now uses Contract. Sotheby's remains firmly in-house. There are no plans to try and compete with Phillips, which is now outspending them, but recent experience in the saleroom world suggests that any successful new idea is quickly adopted by the competition.

LOMBARD

'Thou shalt not' says the law

BY ANTHONY MORETON

IT USED to be said that the British electorate was the most knowledgeable in the world. Not only did we follow elections assiduously but we also voted in great numbers. With the exception of places like Australia, where the law compels voting, and Communist bloc countries where it is inappropriate not to vote, Britain used to produce the highest turnout of any Western democracy. After the war a turnout of 85 per cent was not exceptional. Alas, no longer. In the October 1974, election just 72.8 per cent of the electorate voted. Many of our fellow democracies have long since overtaken us.

No doubt an army of sociologists and psephologists could find an explanation of why, when television brings every move of every leading politician into our living rooms, we should be less interested in putting a simple cross on a piece of paper than 30 years ago when we all had to go—and went in droves—to meetings to hear Attlee, Churchill, Bevin, Eden, Sinclair and the like. I would like to offer a simple explanation: we adopt too Puritanical an attitude towards voting, a reflection on our approach to many other aspects of life.

Alternatives

The cardinal assumption about voting is that we must go in person to the polling station and there cast our vote. There are alternatives: the postal vote and the proxy, for instance. But if we choose one of the alternatives, life is made very difficult.

Take postal voting. If an elector is unable to vote at the polling station the Government says that he "may be entitled to vote by post." The operative word here is "may." There is no assumption that we "can" vote by post. Some official has to vouch that we have valid grounds for not being able to get to the ballot box in person.

There are three main grounds open if we want to vote by post in a parliamentary election. We have to prove that we are ill, disabled or blind; that we will be away from home "because of the nature of our job"; or that we have moved house since the electoral register was drawn up in the middle of last October.

Why shouldn't we have the "right" to vote by post if we want to? Why is a simple thing like voting surrounded by bureaucratic rules? People away on holiday are disbarred, and so, it is accepted, July or September are bad months for general elections. If postal votes were open to all it would not make a ha'penny worth of difference what month was chosen.

The voter may have other grounds for not wanting to vote in person. Someone's religion may prevent his attendance in a polling booth on a Thursday. Or it might be necessary to make a sea journey to get from home to the polling station. In that case, the electoral registration officer may grant dispensation for a postal vote. But if you live overseas, even if you are on the register, that is bad luck.

If the rules were uniform it might just be possible to accept them. But they are not. In local elections (being held on the same day this year) for those who have moved house, postal voting is not allowed. Those who are ill, disabled, blind or away on work, may obtain one, but not those who have moved "to an address in another electoral division." Now, who framed that rule? If I take the trouble to make my way to my old district I can still vote though I no longer live there. Why the *distinction* between someone who has moved a couple of streets away and someone who has gone a little further afield?

Enshrined

This attitude is a reflection of how we encompass other aspects of daily life. Shops may not open on Sundays unless they are selling newspapers or fresh goods, so it is illegal for a shopkeeper to sell you a pad of writing paper with your copy of the Observer. Betting shops are not allowed to be comfortable, so they cannot provide chairs or amenities such as coffee.

"Thou shalt not . . ." are three words the British love to enshrine in legislation. On May 3 I shall turn up at my local school, which is the polling station, and cast my vote. But when the next day I read that about one elector in every three has not bothered it won't surprise me in the least.

Performance bonds and political risk

BUSINESS AND THE COURTS

BY A. H. HERMANN, Legal Correspondent

GUARANTEES issued by London clearing banks that British exporters will fulfil their contractual obligations to customers in Iran are estimated to total some £200m. About half of these preformance guarantees—or "performance bonds"—can be called only under specified conditions, for example, when the customer's complaint (that his supplier did not perform as agreed) is supported by documentary evidence or after a certain time, a year for example, has elapsed without the dispute being settled. These performance bonds circumscribed by certain conditions are the less dangerous ones.

The second half, some £100m worth is, however, represented by "demand bonds" which are unconditional guarantees against which a London bank has to pay out as soon as asked to do so by its corresponding bank in Iran. The only reservation which applies to this strict obligation is, as a rule, the continued existence of a normal relationship between the London bank and the bank in Iran.

Though most British exporters are covered for political risks under the British Export Credit Guarantee Insurance, the upheaval in Iran followed by cancellation of important contracts with the West has led to considerable anxiety among many British companies.

So far no legal actions with a view to stopping normal operation of such open-ended performance guarantees have been brought in the UK. This can be explained partly by the feeling of security given to exporters by export insurance policy guarantees, and partly by the soothing influence which London clearing banks exercise on their clients.

The London clearers take the view that Iranian banking has again been placed in responsible hands and tend to believe the assurances coming from Tehran that debts will be honoured and banking business transacted in the conventional way.

This trust seems to be greatly reinforced by the fact that a trickle of payments is actually being received from that troubled country. The banks feel that nothing should be done to upset the applecart. Should it come to any large-scale demands against their guarantees, British banks would probably have to acknowledge that the reasons are political rather than due to any failure of performance. If the Iranian banks insisted on such a course this would bring them out of the "normal relationship" which is an inbuilt condition of most performance bonds.

However, the problem is a wider one and may crop up also in relations with other countries. It may be therefore useful to see what attitude has been taken so far by the courts in the United States where exporters' anxiety led to a number of legal actions trying to prevent banks from using the money deposited with them for such bank guarantees.

The two U.S. decisions handed down in March are contradictory and have yet to be tested in the appeal courts. But the arguments used are very illuminating, even if the American situation differs from that existing in London in one essential point: while English banks provide flexible guarantees. American banks are prohibited by Federal rules from doing so and have to write their performance bonds in the rigid form of letters of credit. As letters of credit are more strict obligations than guarantees it can be expected that concessions granted by U.S. courts in the case of letters of credit caught in a political turmoil, should be even more readily granted by U.K. courts in the case of bank guarantees in a similar situation.

The first U.S. decision made on March 23 by Judge Weinfield in a New York court granted to the Stromberg-Carlson Corporation a preliminary injunction requiring Bank Melli Iran, to give 10 days notice and opportunity of contesting any demand made against the letter of credit guaranteeing the performance of a contract by the Stromberg-Carlson Corporation. The judge accepted that there existed a risk of fraudulent demand and thought that the relief requested in this situation was a modest one.

A few days later, however, Justice Dontzin of the New York Supreme Court, dissolved temporary restraining orders earlier obtained by the American Telephone and Telegraph Company and by GTE International against Manufacturers Hanover Trust of New York and refused to issue preliminary injunctions concerning similar letters of credit. In his view there was not more than a "speculative" threat of fraud as the Government of Iran had not yet made any demands against the letters of credit. Nor did he accept that the revolutionary Government was not a successor to the government of the Shah.

It is rather surprising that two companies comanding such a force of legal talent should have come forward with the argument that the present Government is not the successor of the former. If accepted by the court this argument could easily be turned against them—and against other American companies in a similar situation—should they press any future claims for damages in respect of frustrated contracts or the payments of any outstanding debts incurred by the Shah's regime. It seems that the two companies were on a safer ground when pleading the risk of fraud as U.S. courts have gone a long way from the original concept that documentary letters of credit must be honoured by the bank irrespective of any dispute between the supplier and his customer.

In 1973 a Federal District Court was asked to decide on a situation very similar to the one it is feared could result from the Iranian revolution. The Southern National Bank had issued a letter of credit designed to safeguard the Government of India against a failure of the Dynamics Corporation of America to perform a contract. It provided that the bank would pay drafts when accompanied by a certificate made out "in good faith" by the President of India, testifying that Dynamics had defaulted on certain contractual obligations. Such a draft was presented but Dynamics alleged that the claim was unjustified. The court prevented the bank from paying automatically holding that there was as much public interest in discouraging any possible fraud as in encouraging the use of letters of credit. The Court "would not allow India to run off with Dynamic's money on a pro-forma declaration that had no basis in fact."

There is no doubt that such arguments seeking an equitable solution could be presented also in English courts. The U.S. courts, however, have specific powers granted to them by Section 5—114(2) of the Uniform Commercial Code. Though a bank—as long as it acts in good faith—may pay out money under a letter of credit even if notified by its client that there was "fraud, forgery or other defect not apparent on the face of the document," the customer may apply to the court to obtain an order prohibiting the bank from doing so.

Another argument which may be open to exporters faced with abuse of performance bonds would be the uncertainty as to whether the persons making the demand have the authority to speak on behalf of the new regime. There seems to be at least two parallel power networks operating in Iran at present, one represented by the government and the other by the numerous revolutionary committees.

Odeon the ticket for Epsom

RACING

BY DOMINIC WIGAN

THE great partnership of Henry Cecil and Joe Mercer had a minor setback on Tuesday with the defeat of Main Reef, but I expect Odeon to regain the winning thread at Epsom this afternoon in the Princess Elizabeth Stakes.

Odeon, a bay Royal and Regal filly whose compact build and fluent low action are ideal qualities for this switchback course beat Rheinsparkle, by four lengths when a heavily-backed favourite at Goodwood last September. After an initial second placed effort, Odeon later gave her best performance at Ascot.

The Warren Stakes over a mile and a half has been robbed of an interesting runner because Elusive Pimpernel has been withdrawn, but it should nevertheless be an intriguing race because the Lester Piggott-ridden Armistice Day takes on Joleg and Young Man.

The Rheingold colt, Armistice Day, a half brother to Quiet Fling who gave a fine performance in the Coronation Cup, impressed everyone at York in September when striding away with the Sancton Stakes so it will be disappointing if he does not win.

Joleg, disqualified at Kempton recently for failing to keep a straight course, looks a far better prospect than Young Man from whom Lester Piggott has switched.

Prince Rock was in great demand with the Tote for Saturday's Whitbread Gold Cup and he is now down to 9-1 from 12-1 for the big Sandown Chase. Other prices from the same company on the season's last major event over fences include 6-1 Otter Way, 7-1 Jack of Trumps, 8-1 Diamond Edge and Muster Smudge and 10-1 Modesty Forbids.

EPSOM

2.00—Titauri
2.30—Chads Gamble
3.05—Odeon***
3.35—Silk Lady
4.10—Armistice Day**
4.45—Brompton Rose*

Aid for volcano isle homeless

A GRANT of £25,000 is being made to St. Vincent by a British company to aid families made homeless by the island's volcano disaster.

The money, provided by Geest, of Spalding, Lincs, will buy food for people on the Caribbean Island, which grows one-fifth of the company's banana supplies.

New TV relay station opens

THE Independent Broadcasting Authority's new relay station at Llanwrtyd Wells, mid-Wales, will begin transmitting on Friday, carrying the programmes of HTV Wales on Channel 24.

Provided that suitable receiving aerials are used, the station should provide good pictures in Llanwrtyd Wells and eastward to Llangammarch Wells.

TV/Radio

† Indicates programmes in black and white

BBC 1

6.40-7.55 am Open University. 6.40 am Open University (ultra high frequency). 12.40 pm News. 1.00 Pebble Mill. 1.45 Mr. Benn. 3.53 Play School. 4.20 Boss Cat. 4.45 Screen Test. 5.05 John Craven's Newsround. 5.10 Blue Peter.

5.40 News
5.55 Election Broadcast: National Front
6.00 Nationwide (London and South-East)
6.25 Nationwide
6.55 Tomorrow's World
7.30 Top of the Pops
7.55 Blankety Blank
8.30 Living Legends
9.00 Election Broadcast by the Liberal Party
9.10 News
9.40 The Moruning Brooch
10.40 Campaign Report '79
11.20 Most Wanted
12.10-12.15 am Weather
12.10 am Weather / Regional News

All regions as BBC-1 except at the following times:—

Scotland—5.55 pm Reporting Scotland. 12.10 am News and weather for Scotland.

Wales—5.55 pm Wales Today. 6.55 Heddiw. 9.00 Election Broadcast: Liberal Party in Wales. 12.10 am News and weather for Wales.

Northern Ireland—3.53 pm Northern Ireland News. 5.55 Scene Around Six. 8.30 Spotlight. 12.10 am News and Weather for Northern Ireland.

England—5.55 pm Look East (Norwich); Look North (Leeds, Manchester, Newcastle); Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton); Spotlight South West (Plymouth).

BBC 2

6.40 am Open University
11.00 Play School
2.30 pm Snooker. Embassy World Professional Championship
4.50 Open University
6.55 Snooker
7.20 News
7.30 Mountain Days
8.10 The Paper Chase
9.00 Election Broadcast (as BBC-1)
†9.10 "Farewell My Lovely" (film) starring Dick Powell, Claire Trevor
10.45 Snooker
11.35 News

LONDON

9.30 am Noddy. 9.40 Cartoons. 9.55 Chase the Wind. 10.20 Rookie of the Year. 11.10 Oscar Peterson Presents. 11.35 Horses in Harmony. 12.00 Gideon. 12.10 pm Daisy, Daisy. 12.30 The Cedar Tree. 1.00 News. 1.20 Thames News. 1.30 Crown Court. 2.00 Money Go Round. 2.25 Racing from Epsom: 2.30, 3.05, and 3.35. 3.50 Oh No It's Selwyn Froggitt. 4.20 Little House on the Prairie.

5.40 News
5.45 Election Broadcast: National Front
6.00 Thames at Six
6.25 Help!
6.35 Crossroads
7.00 The Bionic Woman
8.00 Leave it to Charlie
8.30 TV Eye
9.00 Election Broadcast by the Liberal Party
9.10 Hazell
10.10 News
10.50 Thames Report
11.20 Lou Grant
12.20 am What the Papers Say
12.35 Close with Michael Burrell

ANGLIA

9.35 am Cartoon. 9.40 Butlin's Grand Masters Darts Championships. 10.10 England their England. 10.35 A Flirt with Fire. 11.00 No Borders to the Sun. 11.50 Cartoon. 1.25 pm Anglia News. 3.50 Give us a Clue. 4.20 The Next Week Show. 4.45 The Beachcombers. 5.15 Emmerdale Farm. 6.00 About Anglia. 6.20 Arena. 7.00 Survival. 7.30 Mind Your Language. 10.50 Campaign Challenge. 11.20 "Spellbound," starring Ingrid Bergman and Gregory Peck. 1.20 am The Living Word.

ATV

9.40 am Maud Lewis. 9.50 The Selling of the Sea. 10.45 The Entertainers. 11.00 Survival. 1.20 pm ATV Newsdesk. 3.20 Sounds of Britain. 3.50 The Electric Theatre Show. 4.20 Johnny Quest. 4.50 Island of Adventure. 6.00 ATV Today. 7.00 Emmerdale Farm. 7.30 Survival. 10.50 Format V. 11.20-1.20 "Cul-de-Sac," (film) with Donald Pleasance.

BORDER

9.30 am Betty Boop. 9.35 Friends of Man. 11.00 The Lost Islands. 10.25 Woody Woodpecker. 10.45 Chopper Squad. 11.35 The Violin. 1.20 pm Border News. 3.50 Give us a Clue. 5.15 Call it Macaroni. 7.00 Emmerdale Farm. 7.30 Survival. 10.50 Chuckle Inn. 11.20 Power without Glory. 12.20 am Border News.

CHANNEL

1.18 pm Channel News. 3.50 Give us a Clue. 4.20 The Count of Monte Cristo. 5.15 Gambit. 6.00 Channel News. 6.10 The Beatles. 7.00 Chips. 9.00 Encore. 10.48 Channel News. 10.55 Friends of Man. 11.25 TV Film: "You Lie so deep My Love." 12.45 am News and Weather in French.

GRAMPIAN

9.45 am First Thing. 9.50 Tarzan. 10.45 Space 1999. 11.35 The Beachcombers. 1.20 pm Grampian News. 5.15 Bailey's Bird. 6.05 Grampian Today. 7.00 Police Newsroom. 7.05 Six Million Dollar Man. 10.50 They Happened to Me. 11.20 Reflections. 11.25 The New Avengers. 12.25 am Grampian Headlines.

GRANADA

9.30 Sesame Street. 10.25 Thursday Matinee: "Press for Time," with Norman Wisdom. 1.20 Dodo. 3.50 Stars on Ice. 4.20 Grizzly Adams. 5.10 Captain Nemo. 5.15 Crossroads. 6.05 Granada Reports. 7.00 Emmerdale Farm. 7.30 Makin It. 10.50 What's On. 11.20 What the Papers Say. 11.40 Dan August.

HTV

†10.10 am The Sound Barrier (film) with Ralph Richardson. 1.25 Report West. 1.25 Report Wales. 3.45 Give us a Clue. 4.15 Bailey's Bird. 4.45 Wyatt's Place. 5.15 Jobline Newsdesk. 5.20 Crossroads. 6.00 Report West. 6.15 Report Wales. 6.30 Sports Arena. 7.00 Fantasy Island. 10.35-11.55 Rat Trap.

HTV Cymru/Wales—As HTV General Service except: 1.20-1.20 Penawdau Newyddion. 4.45 Seren Wib. 5.10-5.15 Cartoon time. 6.00-6.15 Y Dydd.

HTV West—As HTV General Service except: 1.20-1.30 Report West. 6.00-7.00 Report West.

SCOTTISH

9.30 am The London Nobody Knows. 10.15 Feature Film: "Remember the Day," starring Claudette Colbert. 11.35 Celena and Friends. 1.00 pm News and Road and Weather. 3.50 Give us a Clue. 5.15 Crossroads. 6.00 Scotland Today. 6.30 Garnock Way. 7.00 Thingummyjig. 7.30 Survival. 10.50 Late Call. 10.55 Two plus Two. 11.25 Pro-Celebrity Darts. 11.55 George Hamilton IV.

SOUTHERN

9.30 am Rovers. 9.55 Cash and Company. 10.45 Space 1999. 11.35 Clue Club. 1.20 pm Southern News. 3.50 You're Only Young Twice. 4.20 Grizzy Adams. 5.15 Melotoons. 5.20 Crossroads. 6.00 Day by Day. 6.30 University Challenge. 7.00 Emmerdale Farm. 7.30 This is your Life. 10.50 Southern News. 11.00 New Avengers. 12.00 What the Papers Say.

TYNE TEES

9.25 am The Good Word. 9.30 Inner Space. 9.55 "Crooks and Coronets" (film). 11.35 The Secret Lives of Waldo Kitty. 1.20 North East News. 1.25 pm Hustings '79. 3.50 Give us a Clue. 4.20 Beachcombers. 4.45 The Little House on the Prairie. 6.05 Northern Life. 7.00 Emmerdale Farm. 7.30 Jack on the Box. 10.40 Double Top. 11.05 Canadian Playhouse. 11.25 Hustings '79. 11.35 Epilogue.

ULSTER

10.10 am "Knights of the Round Table" (film) with Mel Ferrer. 1.20 pm Lunchtime. 3.50 Give us a Clue. 4.18 Ulster News. 4.20 Dynomutt. 4.50 Bailey's Bird. 5.15 Cartoon. 5.20 Crossroads. 6.05 Good Evening Ulster. 6.50 Police Six. 7.00 Emmerdale Farm. 7.30 Survival. 10.50 Election Special. 11.20 Thursday Night. 11.25 Barnaby Jones. 12.20 am Bedtime.

WESTWARD

9.30 am George Hamilton IV. 9.55 Conquest of the Sea. 10.45 Space 1999. 11.35 The Beatles. 12.27 pm Gus Honeybun. 1.20 Westward News. 3.50 Give us a Clue. 4.20 The Count of Monte Cristo. 5.15 Gambit. 6.00 Westward Diary. 7.00 Chips. 10.52 Westward News. 10.56 Westward Report. 11.25 TV film: "You Lie So Deep My Love." 12.45 am Faith for Life.

YORKSHIRE

9.30 Sir Edmund Hillary. 10.00 Rainbow. 10.15 Tarzan. 11.10 Record Makers. 12.10 pm Election Calendar. 1.20 Calendar. 3.50 Daily Mirror International Gymnastics Tournament. 4.20 Rocket Robin Hood. 4.45 Little House on the Prairie. 6.00 Calendar. 7.00 Emmerdale Farm. 7.30 Election Calendar. 10.50 Pro-Celebrity Darts. 11.20 Fantasy Island.

Radio Wavelengths

1	1053kHz/285m 1089kHz/275m	3	1215kHz/247m & 90-92.5vhf stereo
2	693kHz/433m 909kHz/330m & 88-91vhf stereo	4	[illegible]kHz/1500m & 92-95vhf

BBC Radio London: 1458kHz, 206m & 94.9vhf
Capital Radio: 1548kHz, 194m & 95.8vhf
London Broadcasting: 1151kHz, 261m & 97.3vhf

RADIO 1

(S) Stereophonic broadcast
† Medium wave

5.00 am As Radio 2. 6.00 Dave Lee Travis. 9.00 Simon Bates. 11.31 Peter Powell. 2.00 pm Tony Blackburn. 4.31 Kid Jensen. 7.00 Talkabout. 8.00 Andy Peebles. 9.50 Newsbeat. 10.00 John Peel (S). 12.00-5.00 am As Radio 2

RADIO 2

5.00 am News Summary; Weather. 5.02 Tony Brandon (S). 7.32 Terry Wogan (S). 10.03 Jimmy Young (S). 12.15 pm Waggoners' Walk. 12.30 Pete Murray's Open House (S). 2.30 David Hamilton (S) including 2.45, 3.45 Racing from Epsom. 4.30 Waggoners' Walk. 4.45 Sports Desk. 4.47 John Dunn (S). 6.40 Election Broadcast by the Liberal Party. 6.45 Sports Desk. 7.02 Country Club (S). 9.02 Folkweave (S). 9.55 Sports Desk. 10.02 Would the Last Businessman . . . 10.30 Star Sound Extra. 11.02 Brian Matthew. 12.00 News. 2.02-5.00 am You and the Night and the Music (S) with Sheila Tracy.

RADIO 3

†6.55 Weather. 7.00 News. 7.05 Overture (S). 8.00 News. 8.05 Concert (S). 9.00 News. 9.05 This Week's Composer: Dvorak (S). 9.55 Athena Ensemble (S). 10.30 Mozart and Busoni (S) violin and piano. 11.15 Huddersfield Choral Society (S), part 1: Beethoven. 12.00 Interval Reading. 12.05 Concert, part 2: Verdi. 1.00 pm News. 1.05 Arnold Cooke and Haydn (S). 2.00 In Repertory (S). 3.00 British Piano Music (S). 3.35 Youth Orchestras of the World (S) Concert, part 1: Ives, Messiaen. 4.30 Interval Reading. 4.35 Concert, part 2: Young. 5.25 Homeward Bound (S). †5.45 News. †5.50 Homeward Bound. †6.15 At Home. 7.10 A Tombeau for Monsieur Lully (S) by Rebel. 7.30 Confessions of Zeno (S). 9.10 Essays in Archaeology. 9.30 Telemann (S). 10.00 Basil Dean on Delius. 10.15 Music in our Time. (S). 11.35 Bach (S). 11.55-12.00 News.

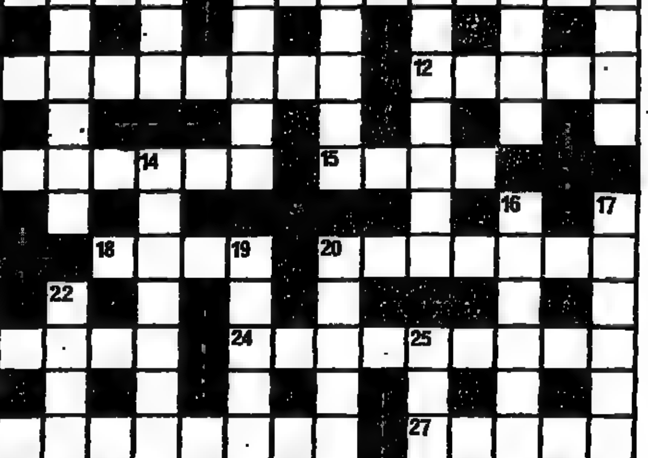
RADIO 4

6.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping forecast. 6.30 Today. 6.45 Prayer of the Day. 7.00, 8.00 Today's News. 7.30, 8.30 News headlines. 7.45 Thought for the Day. 8.50 Election Broadcast by the Labour Party. 9.00 News. 9.05 Election Call. 10.00 News. 10.05 Checkpoint. 10.30 Service. 10.45 Story. 11.00 Analysis. 11.45 Listen with Mother. 12.00 News. 12.02 pm You and Yours. 12.27 Many a Slip. 12.55 Weather; programme news. 1.00 The World at One. 1.40 The Archers. 1.55 Shipping forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.05 The Good Old Bad Old Days. 3.35 Afternoon Theatre (S). 4.35 Story Time. 5.00 PM News magazine. 5.50 Shipping forecast. 5.55 Weather; programme news. 6.00 News. 6.30 Brain of Britain (S). 7.0 News. 7.05 The Archers. 7.20 Time for Verse. 7.30 Jascha Heifetz and Sir John Barbirolli (S) Concert, part 1: Glazunov, Sibelius. 8.30 Travels of a Gentleman. 8.45 Concert (S) part 2: Elgar, Tchaikovsky. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.30 Any Answers? 11.05 Book at Bedtime. 11.20 Financial World. 11.35 Election Platform. 12.00 News.

London Broadcasting

5.00 am Morning Music. 6.00 The AM Show. 10.00 Brian Hayes. 1.00-8 pm LBC Reports with George Gale. 8.00 After Eight. 9.00 Nightline. 1.00 am Night Extra.

F.T. CROSSWORD PUZZLE No. 3,956



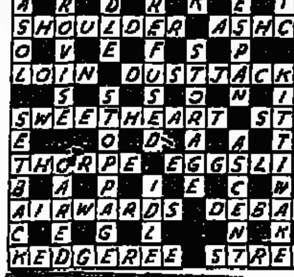
ACROSS

1 Poor player given chop could be a pain in the neck (6, 5)
7 Parent's step at the Garden? (3)
9 Divine effect of gravity on other uses (5)
10 What was prominently featured in Corialanus (5, 4)
11 Vulgar flavour on the French ship (9)
12 Girl gets a right cut (5)
13 12'd be swindled (7)
15 Peevish like this Rugby Union back (4)
18 Break for card game (4)
20 Stumbling on a rude poem (7)
23 Letting student have comfort (5)
24 Famous refusal to king with promises to pay (9)
26 Part of country loses vigour over letting (9)
27 Memorable Texan fort built in style of doctor (5)
28 Strife returns without experience (3)
29 Refuge union offers striker (6, 5)

DOWN

1 Fair not available immediately (5, 3)
2 Complain over ferment in hotpot (4, 4)
3 Publish result (5)
4 Herald brings wine close (7)
5 Seems in some way to be just fate (7)
6 Altering clock involves least bit of work (5, 4)
7 Piano Romeo gives bird (6)
8 Go wrong in retiring with wine (6)
14 Agreement to study population survey we hear (9)
16 Ringing about boy taking on social worker (8)
17 PM's shout scrambled by flyer (4, 4)
19 Page takes on quarrel with high priest (7)
20 Engineers do business with Refuge (7)
21 Telephone in the wind (6)
22 28 given third-class permit (6)
25 Actually existing male province (5)

Solution to Puzzle No. 3,955



THE ARTS

Sadler's Wells

Coppelia

by CLEMENT CRISP

There are two traditional ways of presenting *Coppélia*. From Paris there came the charming original, full of artifice, travesty roguishness for Franz, and a lot of sparkle; from Petersburg — and via Nicholas Sergueyev into the Royal Ballet — a grander, more classically exact view, but one that has become hide bound over the years. The Royal Danish Ballet's presentation was very individual, making of the story something both domestic and dramatically credible, and it is with this conception that Peter Wright seems often in sympathy in his new staging, shown for the first time in London on Tuesday at the opening of the Sadlers Wells Royal Ballet season. It is a view shared by his designer, Peter Snow, who has devised a little village square overlooking cornfields, rather encroaching as to its use of the stage area, but effective. (About his interior of Coppélius' workshop I have rather more reservations: it looks fussy, and my loathing of animals disposes me against showing several of the dolls as fearsomely cute furry friends.) The costuming manifests an almost blind faith in the leg of mutton sleeve (it features on the majority of the first act outfits, male and female), and a taste for the ethnically correct garb for the corps de ballet, who look very Galician in Act I but a bit too quaint for my taste.

The traditional Royal Ballet way with *Coppélia* was to bring on lines of pretty, fleet-footed girls being classically precise, while the men stamped through the czardas, and Franz — that unappealing lad — got away with one big solo in Act 3. Peter Wright has reworked the "ear of corn" section to bring in Franz and two of his chums: musically it is justified, and it makes for a cohesive feeling to the scene. The butterfly sequence (Franz catching and pinning it to his jacket) is badly mishandled, and seems to me, at one hearing, to anticipate the music by several bars. This apart, the only major change in the act is in the introduction of three gypsies whose activities smack strongly of *Two Pigeons*.

The second act goes its usual way: the third pays lip-service to the original Paris scheme of the *Fête de la Cloche*, but carries it no further than disposing of Prayer (which is no loss) and providing fresh and workmanlike new dances for the other divertissements. The one dark moment is the decision to use Delibes' "War" music, originally a dance for warriors — with a luscious tune at its heart — but here given to four boys wearing head-dresses of antlers and poppies, fur bodices, and expressions of bemused embarrassment as they bang about with wooden staves, and who should blame them? The entire number must be painlessly removed.

The staging is, in sum, agreeable, well suited to the company, though looking somewhat over-powered by the settings which tend to close in on the dance. It had the advantage of a heroine and two heroes last night. Marion Tait was Swanilda, dancing with verve, and beguilingly saucy in her naughtiness. She has the secret of taking the audience into her confidence, and her pretty way with the drama, and her pretty way with the dances make her an adorable interpreter—I shall long treasure her *élan* in the Spanish dance. David Ashmole was Franz, playing the first act rather grandly — like some young aristocrat amusing himself with the peasantry — but sustaining the part with a boyish flair, and dancing with a big, clean style. John Auld repeated his gently dotty and sweet-tempered Coppélius, but my other hero of the evening was Barry Wordsworth. He conducted the score as if he loved it (the moment when Swanilda impersonates the doll's coming to life played with supreme sensitivity) and inspired his musicians to a no less loving reading.

Leonard Burt

David Ashmore and Marion Tait

National's first Picasso and Matisse

Two important early 20th-century paintings have been bought by the National Gallery—a Cubist still-life by Picasso and a portarit by Matisse. The gallery previously owned no work by either artist.

The pictures went on public display in Room 45 yesterday.

"Fruit Dish, Bottle and Guitar" by Picasso and "Portrait of Greta Moll" by Matisse are alongside works by Cézanne and the Post Impressionists, and other recently acquired pictures by Redon, Klimt and Gustave Moreau.

Home for Valhalla Collection

Lord Donaldson, Minister for the Arts, has agreed that the Valhalla Collection of ships' figureheads and other maritime artefacts should be allocated to the National Maritime Museum.

Leonard Burt

Susan Beagley, Nigel Hughes and Buddy Elias

Shaftesbury

Canterbury Tales

by B. A. YOUNG

Legal, decent, honest, truthful, that's *Canterbury Tales* expanded from Nevill Coghill's modernised Chaucer with songs and dancing. Well, decent by standards more apt to the 14th than the 20th century: when Chaucer wants to tell us what happened between a young man and a young woman, he tells us in plain English, and as this is what he wants to tell us in four of the five tales in this production, they are not for the excessively modest. Chaucer, thank God, recounts the tales with no reserve, being himself a thoroughly decent man. His view of the propriety of his stories can be gauged by the fact that as often as not he couples the intrigue with a simple respect for Christianity, if not always for the Church.

As here presented, the tales, dramatized by the author and Martin Starkie, are told in dialogue made from the Coghill/Chaucer verse and embellished with songs of rather freer rein. The tunes, by Richard Hill and John Hawkins, are square but pretty, and the songs are mostly short. Some of them, such as the love duet "There's the moon," sung in thirds by Susan Beagley and Jonathan Darvill, Alison and Nicholas in the Miller's Tale, are as sentimental as the Indian Love Lyrics; some, like Nicholas's earlier number, called, I swear to you, "I have a noble cock," are for fun; some, like the Prioress's "Love will conquer all" come close to light opera. Anna Sharkey sings this very nicely, and it is reprised to make an emotional finale.

The items used are the Miller's Tale, about an Oxford student seducing the Miller's young wife; the Priest's Tale, a precursor of La Fontaine, about a fox and a cockerel (who is as sexy as the humans are); the Steward's Tale, where two Cambridge students go after a Miller's daughter; the Merchant's Tale, in which a page seduces the young wife of an old man; and the Wife of Bath's Tale, concerning a young knight who has to discover that women most desire, and discovers exactly what you would expect them to desire.

What very good stories they are, how speakable the lines turn out, and how attractive they all look in Loudon Sainthil's pretty, imaginative designs, based on two revolving gantries side by side. Anna Sharkey's voice and Jessie Evan's portrayal of the ever-marrying Wife of Bath are the only two things that rise above a general level of competence in the playing, but there is something very attractive in the frank sexuality of the young men (and indeed of the older men as well) and the demure acquiescence of the girls. Nigel Hughes and Susan Beagley coupling in a pear-tree are sweet. The dancing to the choreography of Hugh Halliday by a troupe of graceful damsels and pretty, epicene boys helps to adorn the scene.

If Mr. Starkie, who is director as well as co-author, would drastically shorten his interludes, the show would be reduced to a more manageable length. The opening scene in the Tabard Inn goes on too long; must we have so much from both Chaucer and the Host? As for the endless bit at the start of Act Two, with yards of autobiography from the Wife of Bath and songs about beer by the Miller (Percy Herbert) and girls by the Friar (Michael G. Jones), I thought it would never end.

Festival Hall/Radio 3

Le Martyre de Saint-Sébastien

The programme of Tuesday's BBC Symphony Orchestra concert seemed, on the face of it, somewhat miscellaneous—the concert reduction of the Debussy-d'Annunzio dramatic *mystère, Le Martyre de Saint-Sébastien*, preceded by the orchestrated version of the Debussy *mélodie* "Le Jet d'eau" and the collection of Berlioz choral settings entitled *Tristia*. In fact, it was one of the most attractive and nourishing events of the BBC season, for which we have to thank Pierre Boulez at his least didactically dogged, most light-fingered. All through the evening the orchestra was urged to refinements—well-ventilated textures, incisive rhythms, care over attack and intonation — that revived memories of the heady days when Boulez the conductor was still a new force upon the musical scene. (Yet even he failed to curb the undisciplined and often inaccurate sallies of the first trumpet—the same player, incidentally, who all but torpedoed Elliott Carter's *Symphony of Three Orchestras* not so long ago.)

Le Martyre, a failure in 1911 in its original guise as a five-act play with Ida Rubinstein as its hero, has survived in this concert hall compression, in which the Saint's speeches are excerpted and the instrumental and vocal parts given in full. Even in this form it can still cause embarrassment. D'Annunzio's overblown prose, though Debussy deemed it a "noble text" for which he had provided "illustrations in sounds, and rhythms," is a big pill to swallow, and Martin Cooper has written disapprovingly of "the combination (in verse and music) of extreme, if veiled, carnality and theatrical religiosity." Tuesday's performance left a somewhat different impression. There was nothing in the least embarrassed about the speaking of the text: Laurent Terzieff roared and panted it out with a refreshing lack of inhibition. (It was a pity his way of holding the words before his face too often obscured it; a pity, too, that the programme printed nothing of the spoken passages.)

To the words, though, the music seemed on this occasion to act as a kind of antidote. At least as heard under Boulez, it was the increased linear and harmonic refinement, the increased austerity and interiorisation of gesture, that held the ear, sending shoots back to the third act of *Parsifal* and forward to Messiaen and even Boulez (of *Le Soleil des eaux*) himself. The focus of the performance was the music of martyrdom, so chaste, limpid, and concentrated in expression (wonderfuly pure singing of exposed entries by the BBC Singers) as in effect to provide an alternative experience to, rather than an illustration of, D'Annunzio's dramatic situation.

Too many question marks hover over *Le Martyre* for it to be accorded a settled place among the Debussy masterpieces. (How much of the orchestration was Caplet's? under what degree of supervision by the composer?). Even so, as the stripped simplicity of the vocal solos (here finely shared out between Jennifer Smith and Jill Gomez) and the restrained splendour of the *a cappella* choruses make clear, it is a key work, defining and substantiating the late Debussy style. If Erik Satie's declared aim was "l'art depouillé," art stripped naked, nothing in Satie achieves that end more potently than the best of *Le Martyre*.

The atmospheric luxuriance that Debussy was leaving behind was earlier illustrated in the orchestrated "Jet d'eau" — a fascinating, unsuccessful experiment, rich in pictorial suggestion but also too heavily weighted against the kind of soprano voice for which the song was originally designed, as Miss Gomez's valiant but sometimes inaudible singing appeared to demonstrate. I have left myself little room to extol the delights of Berlioz; the fresh tone of the BBC women's voices in the beautiful "Mort d'Ophélie", and Boulez's skill in interlacing woodwind figures with voices and in stretching out the final hummed sigh of the *Hamlet* Funeral March, must not go unpraised.

MAX LOPPERT

Covent Garden

Il barbiere di Siviglia

by DAVID MURRAY

This was the second performance in Covent Garden's Prom week, with 750 people squatting or reclining in the stalls where normally 500 sit. Seats were not in fact greatly in demand: on the contrary, Floral Street was full of anxious vendors, for on this Tuesday both Hermann Prey and the tenor David Rendall were indisposed. Their roles fell to Robert Kerns and Ryland Davies, familiar visitors both.

Whether the enforced cast-changes had incurred some loss of rehearsal time I don't know, but soloists and orchestra slipped out of synchronisation more often than can be tolerated in any Rossini opera. On its own, Lamberto Gardelli's account of the score was tidy and tame: some promising delicacy in the Overture was offset by a plain lack of brio, and so it went throughout the evening. Davies' Count Almaviva was coolly stylish as always, with a little less than his usual vocal gleam: he relished his impersonations, but he made the basic character too like a staid Don Ottavio to indulge plausibly in such japes. Contrariwise, Robert Kerns as Figaro was all bounce and determination to please, ready to sacrifice musical niceties to broad appeal—though his casual, inelegant "Largo al factotum" was not notable for either, and the voice betrayed middle-aged spread.

Josephine Veasey's Rosina, first seen here in December, is a sprightly creation, neither too coltish nor too mature. The vocal ornaments were neatly pointed, often with graceful bravura, and the line enhanced by a subtle range of tone colour. Miss Veasey has more voice than the part requires, and kept it perfectly in scale without constraint; the dry, pretty filigree suggested that she has taken her cue from the best Spanish models. Forbes Robinson lent his weighty bass to Don Basilio, but disappointed in "La calumnia" by allowing himself to bellow tonelessly through the climax. The resourceful and experienced Dr. Bartolo was again Domenico Trimarchi, amusingly testy, if hardly displaying the fearsome authority that would explain the nervous scuttlings of the other characters.

Anne Wilkens' Marta was given nothing to establish her before her single aria, which—though competently attacked—accordingly made little point. The fiction of a continuing Royal Opera "production" of *Barbiere* has been abandoned: the last time I saw it, replete with elaborate mechanical business, it was as remote as possible (granted that the same sets are on view) from the present version. "Rehearsed" by Jeremy Sutcliffe, it makes do with scarcely any business in the first two scenes—far less than any sensible production of the Beaumarchais *Barbier* would involve—and draws no inspiration at all from the brilliant promptings of Rossini's score. The "Buona sera" ensemble was unbelievably dull; all in all, I haven't seen so unfunny a *Barbiere*, despite the decent musical virtues of this one. For the Prommers it must have made a very routine lesson in opera-going. Or perhaps a fair warning: at the interval I discovered that a modest slice of cheesecake at the stalls coffee-bar cost 65 pence, made the appropriate comment, and was regaled with the crushing explanation: "Well, it's an evening out, innit?"

Josephine Veasey and Domenico Trimarchi

Soho Poly

A curse

by MICHAEL COVENEY

Over the past few years, I have seen several short lunch-time plays at this theatre by Glenn Chandler and each time have been impressed by his feeling for character, elliptical turn of phrase and strong sense of theatre. While writing on the small scale, Mr. Chandler, who remains, as far as I can ascertain, both unknown and unfashionable, provides perfect material for the Soho Poly and tantalising hints of what he might one day achieve.

He is especially adept at sketching in the "world" of his plays in short, sharp strokes. You always know exactly where you are. This time, the scene is a seedy lodging, where a divorced father is visited by his younger brother lately released from prison after serving five years on a child-molesting charge.

The unsavoury crime is dealt with in a manner both tactful and sympathetic, for young Brian presents an unanswerable taste for his sad condition by confronting it and hoping to do better. He wants, above all, to care for his brother's child; for he, thanks to physical and phychological conditioning is certain never to father one.

The title has a double resonance. The mother of Brian and Robert has died recently, her legacy one of nursery room remembrances that have contributed to Brian's sexual predilections. And Brian regards women who menstruate as a corrupt phenomenon, dirty and unsavoury. The sentiment may be repulsive but the treatment of it is deeply affecting. Brian's five years inside correspond to the age of Robert's daughter and his intense bid for respectability is given a chance in the play's powerful conclusion.

Brian is a difficult role to bring off, but Desmond McNamara, fidgety and self-critical, does a magnificent job in Brian Croucher's production. And, as Robert, Michael Coles is a perfect foil, acknowledging his own domestic chaos as a means, perhaps, of salvation for his brother. Antony McDonald's design gives us both a living room and child's bedroom, where Brian strikes out towards a new future at the side of his sleeping niece.

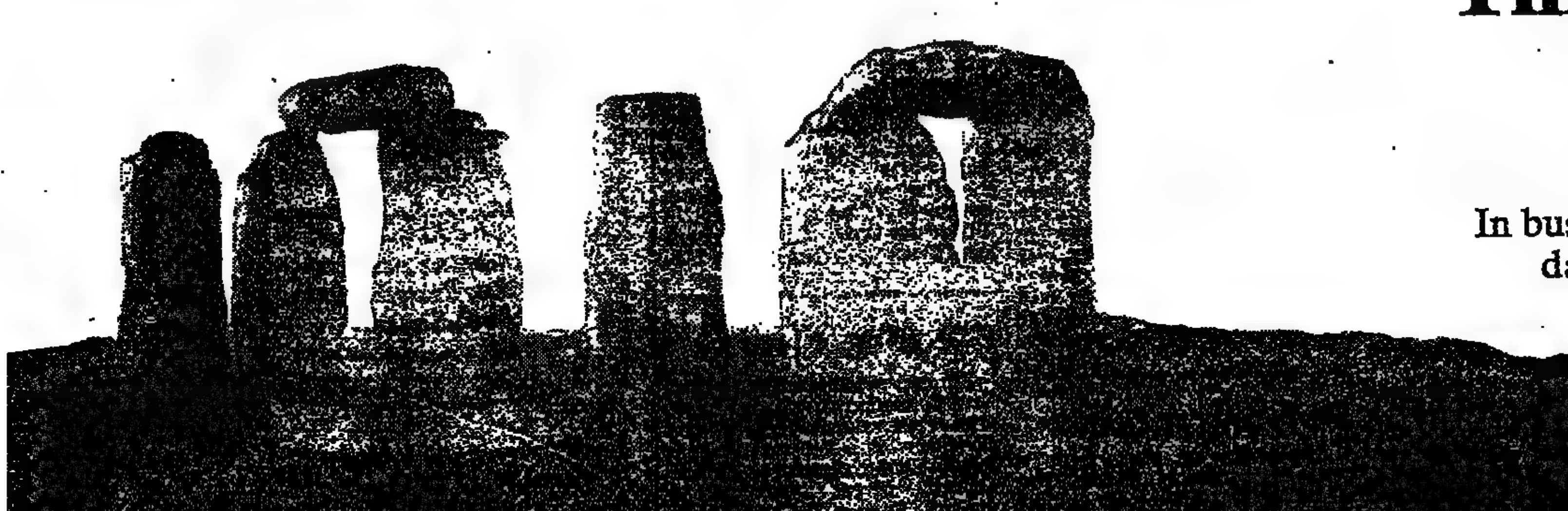
Bishopsgate Hall

Marta Fabian

After first hearing the marvellous Marta Fabian in Budapest five years ago, I wrote here that "not to have heard Miss Fabian play the cimbalom is not to have heard the cimbalom played at all." That judgment still stands. London has been lucky enough in the last week to have heard the cimbalom played three times, and on each occasion by Miss Fabian: at Goldsmiths' Hall, at Riverside and on Tuesday at a City Music Society concert in Bishopsgate Hall.

Having misjudged London's lunch time traffic, she and her three Hungarian colleagues, a flutist, violinist and soprano, rushed straight from their taxi to the stage: the first two items, a pair of Duos by Stamitz and Mozart arranged for flute and cimbalom, were delivered with a certain breathlessness—and in the circumstances also with admirable force and charm. But as she relaxed, Miss Fabian showed us once more the full expressive range of her unusual and difficult instrument: delicate, melancholy skirls to accompany three folk-song arrangements by Miklos Kocsar, beautifully sung by Ilona Tokody; brassy growls and big, strident chimes punctuating a Duo with flute by Jozsef Soproni; quiet shadows, resonance of the deepest blue, dappling the wintry textures of Gyorgy Kurtag's *Winter Twilight* for soprano, cimbalom and violin.

DOMINIC GILL



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Reducing the public sector

MANY Conservatives are emotionally attracted to the idea of selling some of the nationalised industries, or parts of them, to the private sector. Yet the Tory commitment to de-nationalisation, as set out in the manifesto, is pretty modest. There is a promise to "offer to sell back" the recently nationalised shipbuilding and aerospace companies, to issue shares to the general public in the National Freight Corporation and to sell off "as circumstances permit" the National Enterprise Board's investments. Some Conservatives would like to go much further. As in 1970, there is talk of applying the "BP solution" to some of the bigger state corporations, such as British Airways, whose shares might be considered attractive to private investors.

Interference

Apart from BL, Rolls-Royce and Alfred Herbert, much of the NEB's portfolio is saleable. There is no strategic need for the Government to own a minority stake in ICL or Brown Boveri Kent: private buyers should easily be found, too, for Fairey Engineering. But the bigger state corporations, including the ones vested in the NEB, present more difficult problems. In principle there are sound financial and industrial reasons for selling part of the equity in these companies to the private sector. If the Government could sell, say, £1bn worth of equity instead of fixed-interest debt, this would have a useful impact on the cost of debt service: the gain, though a once-and-for-all one, would be worth having. By making the state corporations accountable to private shareholders (who would of course be primarily pension funds and other institutions) and subject to market disciplines, they would be protected to some extent from political interference.

The trouble is that most of the corporations are either making a meagre return on assets or facing heavy capital spending commitments or both. This applies even to the National Freight Corporation, which is an obvious candidate for a return to the private sector. If shares can only be sold to the public at a price which is well below the real value of the business, then it would be better to postpone the flotation until the enterprise concerned is in a stronger financial position. The Tories, if they form the next Government, should resist the temptation to demonstate their convictions by a spectacular sale at give-away prices: the deal must make financial and industrial, as well as political, sense.

Hiving off

The Tories should also be cautious about hiving off the profitable parts of an otherwise unprofitable concern. There would probably be buyers for the naval yards of British Shipbuilders, as there would be for the missile interests of British Aerospace and perhaps for the special steels division of British Steel. But the Government would have to consider whether the problems of the loss-making rump, staying in the public sector, would be made more difficult as a result of such divestments.

Each case would have to be looked at on its merits. Does the enterprise as a whole, including good and bad parts, have a realistic chance of becoming viable within, say, the next five years? Would the Jaguar Rover Triumph subsidiary of BL do better as an independent publicly-quoted company, leaving Austin Morris under state control? How serious would be the disruption caused by hiving-off?

These matters do not lend themselves to instant decisions in the first few months after taking office. It is right that the Tories should seek to reduce the size of the public sector of industry, but for the most part this is an objective to be achieved gradually over a period of years. The most urgent task in this field will be to establish a stable relationship between government and the nationalised industries: the chairmen of the state corporations have not forgotten that the last Tory Government was one of the worst periods for political interference in their affairs.

Balance

The new government will have to find the right balance between regulation—which is unavoidable in the public utilities — and commercial freedom. In several cases a measure of private ownership should contribute to this objective, since it will add to the pressure on management to behave commercially. But the introduction of private capital should be seen, not purely as an end in itself, but as part of a long-term programme to improve the performance of the nationalised industries.

Slowing down the arms race

THE FULL DETAILS of the strategic arms limitation treaty which President Carter shortly hopes to sign with the Soviet President Mr. Brezhnev are not yet known. But it has been clear for a long time that obtaining ratifications in the Senate will be an uphill process, whose outcome at this time is still very much an open question.

The basic reason for this is that the American people, and not only the U.S. senate, are much more suspicious of Soviet aims and intentions than they were in the aftermath of the first SALT treaty. Detente has not blossomed into co-operation.

On the contrary, the continuous build up of Soviet conventional and nuclear might, coupled with the exploitation of America's post Vietnam war trauma to strengthen the Russian position in Africa and Asia has resulted in deep suspicion about Soviet intentions generally. Inevitably this has spilled over into the strategic arms field.

Challenge

It has also led to some more fundamental questioning of the value of the SALT process itself. There are, for example, powerful voices in the Senate who claim that the way to get the Soviet Union to limit its military expenditure is for the U.S. to make clear to the Soviet leaders that it is prepared to match any level of arms spending the Soviet Union, with its much smaller economy, cares to go in for.

The Soviet Union has consistently devoted a far higher proportion of its GNP to arms expenditure than the United States and this is continuing. This is deeply worrying to the United States and its Western allies, but Soviet military spending is now approaching the point where it threatens very seriously to sap what remains of the vitality of the Soviet economy. In the long run the Administration clearly hopes that by keeping the SALT process going it will encourage those within the Soviet leadership who are aware that power and influence do not only grow out of the barrel of a gun.

This is a particularly valid point at the present time given the ill health of the Soviet leader and the gerontocratic nature of the present leadership.

President Carter in his speech to the American Newspaper Publishers Association yesterday, stated categorically that in his view "the most intransigent and hostile elements of the Soviet power structure would be encouraged and strengthened by a rejection of SALT." This could well also be the view of the current Soviet leaders. They too appear anxious to get the treaty signed and if possible ratified quickly.

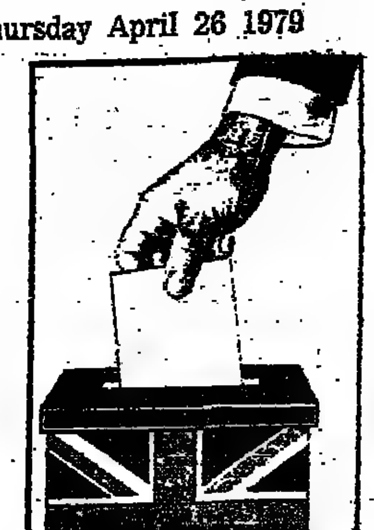
Constraint

If this is the case, and there are good grounds for believing that a verifiable, water-tight treaty would be beneficial to both sides, it is surely reasonable to expect a greater willingness on the Soviet side to slow down the momentum of its current arms build up. In the past, it is true, most of the technological advances in weaponry have come from the West, obliging the Soviet leadership to respond in kind. But over the last decade the U.S. and the West have practised considerable constraint and allowed the Soviet Union to achieve the parity it so ardently desired. Now, however, the boot is on the other foot.

Improvements in the size and quality of Soviet armaments have provoked not only suspicion but the inevitable counter-measures. The latest example is the agreement by NATO nuclear planners meeting in Florida this week to strengthen and improve the deployment of nuclear weapons in Europe.

Historically it is easy to understand some of the deep suspicions harboured by successive Soviet leaders. But their seeming lack of sensitivity to the anxieties of the West could well backfire. The SALT process will only serve the interests of the Soviet Union and the U.S. if the Soviet Union starts to give a clear indication of a desire to slow down its own arms programme. The West, which has its own problems as well, would be only too happy to reciprocate.

Council houses: the Tories' 'Sale of the Century'



BY MICHAEL CASSELL

THE FRONT GARDEN of a smart, semi-detached home in Northolt, Middlesex, moved briefly to the centre of the election stage last week as Mrs. Margaret Thatcher admired the flowers and weighed in to the national debate on housing policy.

For a few bewildering minutes, Mr. and Mrs. Roger Parker, the happy new owners of 1, Ascot Close, watched as the election battle engulfed their two-bedroomed house and the Leader of the Conservative Party extolled the virtues of individual effort, freedom and enterprise, which have become the cornerstones of her campaign.

Mr. and Mrs. Parker — said their celebrated if fleeting visitor — provided an excellent example of what conservatism was all about. The couple had yearned to buy their own home but had been prevented from doing so by the Labour-controlled local authority. Now, however, Ealing Council was in the hands of the Conservatives and Mr. and Mrs. Parker, along with countless other couples, were able to see their dreams come true.

Home ownership in the UK, said Mrs. Thatcher, was high but not high enough. About 54 per cent of the country's housing stock was now owner occupied and the Conservatives had every intention of raising the figure to nearer 70 per cent. The wide-scale sale of council homes is the prime means to achieve this objective.

Mrs. Thatcher had made her point and her brief visit had simply, yet efficiently, opened up the debate on housing, a subject which may well have taken a back seat to such matters as tax cuts and union power, but which nevertheless remains a fundamental issue.

The Parker family and friends: Mrs. Thatcher (right) and Ealing North Tory candidate Mr. Harry Greenway (left) with their hosts at their former council-owned house.

A crude surplus

For though the arguments no longer revolve principally around numbers and the once-familiar, Macmillan-style pledges over new building targets, the subject still embraces and exposes some of the deepest policy differences which exist between the major parties.

With a crude surplus of houses over households now recorded in the UK, a large part of the housing debate centres on choice rather than totals, and begins with the common belief among politicians that owner-occupation will, throughout the remaining years of this century, become an even more significant social phenomenon.

To the Conservatives, the continued spread of home ownership on a scale justified by such overwhelming demand may well be encouraged with an assortment of schemes and financial packages, but real progress can only begin with a full-scale onslaught on the 5.5m homes in the public housing sector. There is no suggestion, however, that specialised accommodation serving particular community needs, such as housing for the elderly, will be included in the Sale of the Century.

While the Labour Party accepts, with varying degrees of enthusiasm, the case for selling off some local authority homes, it is not prepared to consider a disposal programme of the dimensions envisaged by its opponents. To Labour, the Conservative proposals yet again promise further help to those best able to help themselves at the expense of less well off members of the community. In short, they say, the Conservative plans for housing typify their approach to many of the current issues and underline the deep philosophical divide between the two camps.

Mrs. Thatcher and her colleagues prefer to rest their case on the financial arguments involved. They claim that council housing is a needlessly expensive way of providing accommodation—consuming with its subsidies some £4bn annually—and that many of the reasons for its post-war expansion have now disappeared.

In one easy move, they believe, the switch of a large proportion of the public housing stock to the private sector will save public money and provide people with the independence, mobility and security which they seek.

Under the Conservative proposals, council and new town tenants will, after three years, have the right to buy their homes with discounts off the market value, starting at 33 per cent, reflecting the fact that they effectively have security of tenure.

At the other end of the time scale, a tenant of 20 years' standing will be offered the house in which they live at half market price. Safeguards will be built in to prevent large capital gains overnight by the re-selling of property in the first years of ownership.

The pledge is accompanied by an assurance of 100 per cent mortgages and a set of calculations designed to show that the community at large would also benefit by the sales programme. According to the Conservatives, it now costs about three times as much to subsidise a new council house as it does to give tax relief to a home buyer. Each sale will generate new capital, while the interest payments will produce more than would be received in rents.

In recent days, Mr. Michael Heseltine, the Conservative spokesman on the environment, has claimed that Tory-controlled councils around the country had already put their ideas into action with significant results.

Nottingham, he said, had sold £40m worth of its housing stock, representing £18m more than they cost to build. The council had inherited an annual £2m loss on its housing accounts from Labour but this year alone the city had received £5m in interest charges from home buyers. Leeds, according to Mr. Heseltine, calculates that it saves £300 a year per house by selling the average home and in just 12 months finds itself £1m better off. As a result, rents are on average 15p a week less than they would otherwise have been.

The Labour Party rejects Mr. Heseltine's case and presents its own figures to show that each sale disposes of a valuable community asset at a bargain basement price which cannot finance its replacement. The sale also raises the mortgage interest relief bill borne by the Exchequer and cancels the potential income growth expected from rising rents over the years ahead.

But Labour's over-riding concern centres on the likely effect which a wide-scale sales programme would have on the remaining public sector housing stock. Ministers have warned that, quite apart from reducing the number of homes available for rent, the policy would result in the most desirable properties, usually houses with gardens, being sold off.

As a result, council tenants would be left with an unattractive residue of housing options and the fate of many estates, particularly those with high rise tower blocks in run-down inner city areas, would be sealed.

Labour is not, however, totally opposed to the selling of council homes to sitting tenants of two years or more, a restriction recently introduced when it became clear that some Conservative councils were selling off new homes built for rent. The only other proviso, in the words of the manifesto, is that sales "are at a fair price and do not damage a local authority's ability to meet the demands for decent homes to rent." Sales in areas of "housing need" are opposed.

Long-promised scheme

Mr. Peter Shore, who as Secretary for the Environment in the last government, had responsibility for implementing housing policy, shows no such reservations in encouraging home ownership which does not impose on the public sector housing stock.

Last year, Mr. Shore, launched the long-promised scheme — a combination of grants and loans—to assist first-time buyers along the expensive path to home ownership. The proposals, which include a two-year qualifying period, received a cool reception from the institutions involved, mainly on the grounds of insufficient financial help and the lack of emphasis on generating new savings. But even the reluctant participants, such as the building societies, had to admit that any scheme which helped new house buyers had to be welcomed.

The Conservatives are committed to revising the scheme, though their precise plans remain uncertain. Latest thinking seems to be along the lines of a £1 bonus for every £2 saved, up to a maximum £1,000 grant.

But the council tenant who, by choice or necessity, is set to remain in rented accommodation is also promised a new deal by the major parties. In rejecting any suggestion that tenants are secondclass citizens, Labour's election pledge involves the introduction of a tenants' charter — included in the Housing Bill which failed to make the last pre-election hurdle—that will offer them security of tenure, the right to a written tenancy agreement, the right to improve their home with grants now available in the private sector and the opportunity to take in lodgers.

The Conservatives too are proposing a "rights and responsibilities" charter of similar content, though their concern is not confined to the public rented sector or the tenant. They accuse Labour of having grossly over-reated to the past, well publicised excesses of the private landlord and claim that, through harsh legislation, a valuable alternative form of housing tenure has been effectively killed off.

The Conservatives estimate that over 400,000 homes have been withdrawn from the private rental market since 1973 and that there are now hundreds of thousands of empty properties in Britain which are unlet because owners are deterred by the law.

A revival of the private rented sector is therefore a priority and the Conservatives plan to achieve it with a new style of shorthold lettings, free of what they describe as the most discouraging conditions laid down under present legislation. Their plans will not affect existing tenants.

The Liberal Party also wants a charter for owners as well as tenants of private housing, while Labour says private renting has entered an "irreversible decline" and that it will move only to encourage socially accountable landlords, such as local authorities and housing associations to take over rented property.

It is a measure of the nation's changing housing circumstances that the area of housing which once commanded most attention—the new building programme—is now relegated to a secondary position in the political point-scoring game.

The new housebuilding programme is now at one of its lowest levels since the last war, yet neither Conservatives nor Liberals make mention of it in their manifestos. They could have pointed out that work began last year on 265,000 homes, only the third time in 20 years that the combined total for public and private sectors had fallen below 300,000; they could have said that prospects for this year are even worse.

No one is suggesting that, with the new emphasis on improvement and renovation, a return to the peak building performances of the mid-1960s is now necessary, but the dangers of such a low level of output continuing for long have not been spelled out.

Renovation, where expenditure has already fallen back from its peak, cannot provide the total answer to a situation in which an estimated 2.7m households still have to live in unsatisfactory housing conditions. The fears are that a prolonged period of low housing output could give rise to the type of supply and demand pressures which create chaos in the housing market.

Private developers have remained much more cautious since many burned their fingers in the wake of the 1972-73 property boom and have blamed land supply problems, planning difficulties and unstable flows of mortgage finance for their reserve.

Dragged down

In the public housing sector, the growth of renovation and the increasing reluctance of many Conservative-controlled councils to embark on sizeable building programmes has dragged the level of new output down to levels which a few years ago would have precipitated a major political row.

It seems clear that the role of new council housing programmes in determining the future of the country's housing stock will inevitably be a diminished, though nevertheless important one.

It is significant that, in spite of the traumas surrounding interest rates and home loan famines, both major parties have refrained during the election run-up from criticising the building societies, now entrusted with the mammoth task of pushing up the level of owner occupation while at the same time relieving the strain on the public purse.

Conservatives and Labour politicians alike readily appreciate that the movement's success reflects the deep-seated public approval for the principles on which it operates. The encouragement of home ownership by one device or another is something which the parties will only ignore at their own peril. On that at least, they are in agreement.

MEN AND MATTERS

Spotting the saleable satellites

Tories casting around for bits of nationalised industry to hive off to the private sector, already have their eyes on the two subsidiaries of the British Steel Corporation which do not actually make steel — BSC Chemicals and Radpath Dorman Long.

Both are chaired by David Waterstone, ex-diplomat and veteran of the Industrital Reorganisation Corporation. He has been a main board director of BSC for three years, despite being still only 43. He is also a member of the Conservative Party Industry Committee and would want to stay at the top of the two companies if they were detached from the parent.

Profitable BSC Chemicals should present no problem: there have already been signs of interest in it from private concerns. But prospective buyers of RDL would have to trust Waterstone's judgment that he can get it out of the red within the next couple of years.

Since he took over RDL two years ago it has broadened out from the obviously declining role of building new steelworks for BSC. Now he is involved in contract construction.

Waterstone has already managed to chip off a corner of the organisation. Last year he merged the loss-making oil platform yard at Methil, Fife, with a private Dutch group. Now it is profitable and winning orders.

"Working to rule, Smith?"

Tunes on wheels

London Transport is humming happily about its new Shop-Linker service which makes a circular tour of the main department stores—and has the first buses in the capital equipped with canned music. "There were 12,500 passengers in the first week," says an LT spokesman, "and we can expect to do much better when the tourist season is in full swing."

But the innovation of tunes on wheels has caused some public complaints. There are fears that the Shop-Linker is an augury, and son it may be impossible and soon it may be impossible subjected to a syrupy earful.

In search of guidance, I talked to Peter Williams, a director of the company which has held the Muzak franchise in Britain since 1958. He said loftily: "I think it improper to put background music on a bus. We have had approaches from Manchester and other places to instal such services. We have refused."

His line is that if you hear "background music" in a restaurant or a shop, and dislike it, you can go elsewhere. Once on a bus, you are caught. "I imagine London Transport is just doing it for the commercials."

Williams is right. London Transport admits that its "easy listening" music on the buses is basically to break up advertising for stores along the route. However, it counters the argument about exploiting a captive audience by describing the Shop-Linker as an alternative service: if you do not like the noise, you can wait for a tuneless bus to come along.

Muzak argues that canned music is most properly a "management tool" for "working situations." Wage slaves are not captives, like bus passengers—they can always resign if they prefer a silent job. I put a supplementary question to Williams: what about music in lifts? "That is a perpetual test of the emergency warning system," he explained smoothly.

Pay off line

Ronald Bell, Tory QC sitting on a comfortable 12,253 majority in Beaconsfield, Buckinghamshire, has received an unexpected come-uppance after suggesting that immigrants should be paid £2,000 each to go away.

Immigrants, he averred, were "swamping" Britain. There were, he said, "too many obviously different people" in Britain, a phrase which has a novel ring to it.

Soon after their man had made these observations, Conservative party workers were surprised to see 150 people marching on their office in Beaconsfield. Their leader, one Ash Chaudri, was brandishing a cheque for £4,000 which he said he was offering Bell "to do the country a favour," and go away.

Pointing a finger

Discreetly on show with a price-tag of around £35,000, the Clarabel is proving an exhibit of more than passing interest at the Middle East Electronic Communications Show in Bahrain. A device designed to be mounted on a car, it is capable of tracing a sniper's bullet before the victim even hears the shot: an alarm hoots on the dashboard and a dial indicates the precise direction from which the shot has come.

According to the Edinburgh company Microwave and Electronic Systems, which developed Clarabel in conjunction with the British Army, a chauffeur with nerves of steel can usually react swiftly enough to accelerate out of trouble.

Peter Sample, manager of MESL's radar division, tells me it would be possible to make the car accelerate automatically. "The trouble there," he says, "is that you don't know what you are aiming at, at that point in time. It might be a brick wall."

Moreover, automatic retaliation could also be arranged: "Certainly one customer, I think in Oman, had the attitude that he wanted any building from which a shot came razed to the ground. . . . Our view is that we provide the information and it's up to the user what he does after that. If you get involved in moral questions, it can be dangerous, especially in these hotter-blooded countries."

Whether or not MESL expertise is helping to reduce potential assassins to jelly, the company (recently swallowed by Racal) is well-pleased with the £40-worth of Clarabel sales so far. The system—without morally-questionable refinements—has been in use in Ulster for some time, and business looks promising in the U.S.

Steering clear

London commuters are evidently made of sterner stuff than their counterparts on the Continent. A colleague descending into the turbulent depths of Oxford Street underground station during the rush-hour yesterday overhead a German visitor warning his wife: "Don't go down there, Liebling, it seems to be some kind of demonstration."

Observer

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ECONOMIC VIEWPOINT

An unusual election dialogue

The scene is the gallery of the Reform Club overlooking the large covered entrance hall, where a good view can be obtained of who has come to lunch with whom. Two men are talking over their coffee cups.

Thatcherite: I don't suppose you really vote on economic issues. May I illustrate a far more fundamental difference between the two main parties than those over economics. It is inconceivable that any Conservative MP could refuse any post in the Northern Ireland Office, whatever his fears about his personal safety. This would be cowardice in face of the enemy and the man's career would be finished. A Labour Minister might suffer in the promotion stakes for such a refusal. But he would survive politically.

Callaghanite: That's exactly why I stick with Labour despite all the ham we have to put out. I shall never forget how I got my hand torn off by the wife of a Conservative MP friend, when I suggested there might be something in a Liberal MP's suggestion for pulling out of Ulster. Bismarck once said that if he had not believed in another world he would not have been responsible for three wars and for sending 70,000 men to their deaths.

But we must stop this. Our masters and mistresses call for their speech notes. I really cannot understand why you make your economic case sound so weak. We give you so many targets. Yet all you can do it talk of an act of faith about the benefits from taking the basic income tax rate down a few pence and getting some of it back in taxes on goods. It doesn't require an act of faith to see that the use of ACAS to whip up union activity in unorganised firms does more to discourage employment than anything to do with the basic tax rate. Indeed some employers have got into trouble first for breaking a pay norm and then for paying too little. How I'd love to write a speech for you on government-induced distortions of the labour market losing people their jobs.

Thatcherite: You'd never get it past Jim Prior: and income tax cuts are never divisive among our supporters. Please don't tell me that our tax and public spending burden is about average for industrial countries. It's at the top and bottom where the damage is done. You don't really think that tax rates above 50 per cent bring in any revenue? And what other country has people liable to the full tax rate plus National Insurance contributions at half the basic industrial wage, when they are quite likely drawing social security benefits as well? The real wonder is that voluntary unemployment is not much higher than it is today.

Callaghanite: It will be expensive enough to raise the tax starting point to where you left it in real terms in 1973-4. I have just been doing some calculations on this for The Thug. Why add to your difficulties by making promises on the basic rate as well—at least that's what I think you mean by "reducing tax at all levels"? You don't really believe that cutting the basic rate from 33 per cent to 30 per cent—even 25 per cent—would suddenly make the mass of people in between the poverty trap and the higher rate bands work much harder. In any case if your people really believed and understood all that Hayeck-Friedman theory about free choice, they would not want to extract the maximum of effort from people as if they were horses. You want to raise revenue with as little distortion as you can of people's choice between work and leisure, spending and saving, or risky and secure occupations, according to their preferences and the costs of the alternatives.

Thatcherite: You'll never get your Jim to say all that stuff. (Doesn't he think a market socialist is a Labour member who's a bit too keen on the EEC?) I've read the Meade Report (and there's an excellent potted version by Mervyn King in last week's *New Statesman*). But the only fiscal principles Denis Healey seems interested in is what the TUC tell him before the Budget. How else can you explain the number of times substantial reliefs in the upper marginal tax rates have appeared in early drafts of the Budget Speech, only to be jettisoned because of whispers from Len Murray or David Lea?

But that's not the end of it. We both want a strong pound—thank God our pro-devaluation memoranda were destroyed by Ted and Harold—but not so strong in relation to costs that export profit margins are squeezed out of existence and only imports or non-traded goods are profitable.

The one way to offset the effects of North Sea oil on our non oil trade balance and on sterling is to promote capital exports. If we did away with exchange control, we would not only acquire useful foreign assets for the time when oil runs out.

Yet Healey prides himself on the "stately slowness" with which he is fulfilling his EEC commitments on freeing capital movements. And all because the TUC believes that there is a fixed lump of investment so that more abroad means less at home. When will you get a Chancellor prepared to tell union advisers, as an aunt of mine used to tell her elderly husband, "Barney, please don't talk about things you don't know"? But I do wish Geoffrey would talk about phasing out exchange controls, not relaxing them. Our whole manifesto is full of relaxations, reviews and "need to consider." We should have taken lessons from the man who wrote the Liberal document.

Callaghanite. Go slowly. Suppose you abolished exchange controls.

Basically, the end of exchange controls would bring a once-for-all portfolio adjustment. When that was over there would be no reason to expect a continuing investment outflow.

Of course Denis will have to do something about exchange control after the election (if he doesn't have to take over the Foreign Office because of an emergency in Plymouth). But you will get a continuing capital outflow from willing investors only if the government pre-empts less of their savings in public sector borrowing.

Thatcherite: Thanks. You've written my afternoon speech notes for me.

All over again

Callaghanite: Then you pay for the lunch. You always leave it to us, who don't believe in cutting the PSBR, to do the cutting.... Do calm down... I know it won't be like Ted Heath all over again. You will use every kind of cosmetic to balance real tax cuts with paper expenditure ones; selling off assets, returning payments and so on. I know what I am talking about, I worked on the BP sale during the IMF negotiations in 1976. This will increase consumer demand whatever the book-keeping. And as your friends at the IEA keep saying, there is no general demand deficiency in the economy. Last year's demand boost, which knocked 100,000 off the unemployment rate, went on things like imported cars as Healey has had the courage to admit; and with the new mini-boom (which our Treasury forecasters did not expect), underground trains are again being cancelled because of staff shortages. Our problem is supply, not demand. We hardly ever say these things, but you hardly ever act on them.

Thatcherite: Steady on. Asset sales or timing adjustments will not be inflationary if they are regarded as a prelude to real public spending cuts in the longer run.

Callaghanite: In the long run we will have proportional representation. Let's get back to unemployment. What matters is having real wages at market clearing levels. This is prevented by interest groups of all kinds: our unions, your professional organisations, silly laws which you are afraid to attack.

I cannot think how Mrs. T. allowed in your manifesto the proposal to build up the funds of unions so that they can finance strikes themselves. Do you really want to increase union monopoly power? I can understand making social security benefits for strikers' families recoverable through subsequent income tax payments. Of course we would denounce this as "confrontation" and privately wish you the best of luck. But all these measures are just fiddling at the margin.

The only way you will get market wages in this country is by going much further than we have so far promised with industrial democracy, and turn all major concerns into co-ops, so that the workers can discover the market value of their activities, without being able to blame intermediaries such as employers, nationalised industry boards or "the Government." Only then can we have a political climate in which labour monopolies and restrictive practices can be dealt with by normal anti-restrictive practices law. Incomes policy is just a holding operation.

Thatcherite. You are the only syndicalist I know who wants to use the market. All the others I have read want to supplant markets with corporationist hierarchies or federations of soviets.

But we won't pursue this. The real-world Mr. Callaghan has been fighting on the most conservative platform imaginable; and also a highly anti-educational one. After that speech at the *1976 Labour Conference* about not being able to spend ourselves into full employment, the Prime Minister is now going round constituencies with the lists of the supposed jobs he has saved. If he didn't spend all this money on phoney jobs, he could put cash into the hands of the public or, for that matter, use the money to finance genuine public services. You know quite well he hasn't saved anything like 1m or 2m jobs.

Callaghanite: Of course this is embarrassing. But strip away the rhetoric. The net number of jobs saved is much less than we say. But don't assume it's zero. Tax cuts won't necessarily be spent on the things that steel or car or textile workers can easily make. Too fast a pace of change can increase the mismatch between jobs demanded and skills available or the regional imbalance and thus raise the sustainable unemployment rate. If you don't believe me look at France. But these interventions are holding operations to slow down change to a human pace. You are surely not taken in by our talk of industrial strategy and faster growth.

Thatcherite: But our manifesto also talks about "temporary and tapered assistance and relating government aid to the number of jobs it "creates." Perhaps there is not all that much difference of principle on "job saving." The difference of practice is that you will never really taper anything off because of union and constituency pressures. You know what the headline "Varley warns BL" means.

Callaghanite: He or she that is without his or her vested interest groups should cast the first stone. You have your defence, aerospace, agricultural and EEC groups, all lobbying for resources which people would never pay for in the market. And to come to more homely matters, you will never be able to tackle the scandal of hugely subsidised rents, and artificial housing shortages aggravating unemployment, because you have parallel political commitments to subsidise the home owner.

The bust of John Bright: Cut out all these privileges and all your interest group subsidies and you really could slash tax rates, without putting up VAT or taxing the employment of labour via the National Insurance Surcharge. It really passes all understanding that the parties which are supposed to be against excessive public spending want to switch to taxes on goods, which hide the cost of such spending from the public and away from taxes on income, which at least makes clear to voters how much they are paying. The Common Agricultural Policy, which is all part of the same philosophy, is just like the Corn Laws. Did Cobden and I fight in vain?

A passing Liberal with a capital "L." We are no longer that sort of party.

The Bright bust: But I'd join your young Mr. Steel on electoral reform, a Freedom of Information Act, fixed election dates, Lords reform and above all a Bill of Rights. If you get the constitution right, the economics will take care of itself.

The bust of Richard Cobden: Optimistic as usual, John. You never really did convince me completely about the franchise.

Samuel Brittan

Letters to the Editor

Standing up for an investment

From the Investment Manager, Electricity Supply Superannuation Schemes.

Sir, — In the Lex column of April 24 the institutions are taken to task for taking a view and being prepared to act on "a vital question like the price to be paid for some £15m nominal of 12 per cent convertible loan stock" when they consider the price inadequate. This is called a "footling issue" when quite obviously many more institutions and stockholders other than pension funds were of the same view. I believe 40 per cent of holders voted against the proposal. You will appreciate that the Takeover Panel code states that "where an offer is made for equity share capital and the offeree company has convertible securities outstanding .... the offeror must make appropriate arrangements to ensure that the interests of the holders of the stock are safeguarded . . ." I see nothing wrong, and on behalf of the National Association of Pension Funds in standing up for an investment that is held on behalf of many hundreds of thousands of pensioners, and also by insurance policy holders and stockholders in general.

A. C. B. Urwin.
30, Millbank, SW1.

Looking after investors

From the Managing Director Fraser Green

Sir,—In his comment (April 24) on the English Property Corporation stalemate Lex attacked the wrong targets. He would have been justified in criticising the pension funds' public relations; he was wrong to censure their actions.

It is true that the institutions were unhappy with the offer of 98, but we blocked the bid more for reasons of principle than of price. As the offer package for the ordinary, the preference and the 6½ per cent loan stock was increased at each bid the portion reserved for the 12 per cent loan stockholders was actually reduced. This was clearly unreasonable and in trying to obtain a fairer price for the stock the institutions were once again fulfilling their role of looking after the interests of a number of investors whose interests were not being protected as they should have been.

Lex goes on to repeat the canard that the institutions rarely interfere in the management of companies with problems. May I assure him that we are not backward in voicing our criticisms to the directors and their advisers when we see an investment going sour. We have found, however, that results are more likely to be achieved by confidential discussions rather than public brawls. The EPC issue was an exception to the rule. Without any publicity we drew the attention of the advisers and the takeover panel to the necessity for making a fair offer to the 12 per cent loan stockholders well before the final offer was formulated. Our advice was ignored. We made our position public and we obtained the backing to block the unreasonable terms being offered. Unfortunately the bidders still ignored our advice and have consequently lost £500,000. The loan stockholders are left with a well-covered marketable investment yielding 12 per cent with the power to convert at 66½ over the next five years into a share which the bidders and their advisers value at not less than 60 today.

Whose bluff has been called?

S. J. Green,
Fraser Green.
2, Friars Lane,
Richmond,
Surrey.

Imports of new potatoes

From the Italian Ambassador

Sir,—The comments by "Observer" in your feature "Men and Matters" (April 19) with regard to imports of new potatoes from Cyprus, leave me perplexed.

For the past two years Italy has been endeavouring to promote a Community regime for new potatoes which, in the framework of the aids for Mediterranean products, would provide either for subsidies to producers or for marketing aids, so as to avoid any tariff protection increase and to be able to sell new potatoes at a lower price (with obvious benefit for the consumer).

Being aware of the difficulties Cyprus was experiencing in the matter, and pending the approval of the new Community regulation, the Italian Government allowed a further extension to the temporary ruling on imports of new potatoes from that country.

As for the allegation that Italian growers are inefficient, I would be curious to know on which grounds "Observer" bases his assumption: I can only add that at present 60 per cent of our crop is exported. Finally, as for lakes of olive oil, it would appear to me that if they do exist it is not the fault of Italy, who, in order to satisfy its demand, is a net importer of olive oil from third countries.

Roberto Ducci.
14, Three Kings Yard, SW1.

When indemnity is full

From Mr. D. Eldridge,

Sir,—While I agree with Mr. Peter R. James (April 23) in his criticism of the attitude of insurance companies he does base his conclusion upon what I think may be a misapprehension of the true basis of indemnity. The quotation which he gives from one of the three judgments in Castellain v. Preston is not perhaps as comprehensive as it might at first seem—indeed one of the other learned judges giving judgment in that case said "I wish to prevent the danger of his definition being supposed to be exhaustive by saying that if anything else occurs outside it the general law of indemnity must be looked at."

As I sought to emphasize (April 7) we are concerned with establishing what really is meant by an insured being "fully indemnified" and what it is, against the loss of which such indemnity is given. The land upon which a property stands would not normally be lost in the event of total destruction of a house but it is impossible to divide the market value of the house from the land unless one takes the cost of building for this purpose. This cost may well be more than the value of the house and land together but unless the insurance money covers the full amount the insured is not fully indemnified. To quote again from one of the judges in Castellain v. Preston: "He insures more than the marketable value of his property and he loses more than the marketable value of his property, he loses the house in which he is living and the beneficial enjoyment of the house as well as its pecuniary value."

On this basis the insured person is not "More than fully indemnified if he is paid the re-building cost even though he may choose not to use this in doing the re-building but rather to purchase another property for a lesser amount. The balance which he will be left with is compensation for the loss which the replacement property does not make good. If it were otherwise it would not be a question of the insured profiting from the loss but the insurance company, which has been fortunate enough to have held covered a person who had not insisted upon his full rights of reinstatement. It is this that is inequitable while premiums remain standard.

David Eldridge
45 Pont Street, SW1.

The wealth tax

From the Honorary Secretary, Heritage in Danger

Sir,—Mr. Denis Mahon speculates (April 21) as to whether the Chancellor of the Exchequer has really decided that works of art should be exempted from an annual wealth tax. It is worth noting that there has in fact been an authoritative report emanating from his office, and not subsequently contradicted, that this is indeed the case. Moreover, the reason given was the sensible one that the levying of such an impost was considered to be impracticable.

Mr. Healey however, appears to have left in limbo all the problems relating to the inclusion of houses (historic or otherwise) and land (agricultural, afforested or scenic) within the scope of his proposed tax.

An obvious consequence would be that the very works of art etcetera which are to be exempted are bound to be sold in the first instance in order to defray the tax on the rest. Although this was argued several years ago in connection with the investigations of the Select Committee on A Wealth Tax, it would be a tragedy if the golden opportunity now presented to reiterate the point were to go by default.

Hugh Leggatt,
30, St. James's Street, SW1

Heat and waste

From Mr. R. Crawford

Sir,—Under "Contracts" on April 21, I see that Slough Estates is spending £9m to extend its own power station, which includes a waste heat recovery system. This sounds like a success story which should be read to the Central Electricity Generating Board, which, as readers of your columns know, wastes 60 per cent of its heat warming the sea or the sky. Furthermore, it always quotes what it calls the standard rate which in fact, for domestic consumers, is a reduced rate after the first tranche of consumption has been charged at 0.68p higher, making 3.648p per unit, which works out at just over £6 per week for a 1 kW heater left on continuously, as many people have had to do this winter.

R. E. Crawford.
70 Abingdon Villas,
W.8.

Punts and pounds

From Mr. B. Jamieson

Sir,—I was surprised to read Mr. C. Grunwerg's letter (April 19) about cheques drawn in Irish Punts.

He says that because they bear a £ sign they should equal pounds Sterling (Irish Punts are not Sterling which is what he implies). On that basis cheques drawn in Cyprus £, Lebanese £, Israeli £, Sudanese £ or Maltese £ should all be equal to Sterling notwithstanding the exchange rates. Similarly Hong Kong $, Taiwan $ and Liberian $ etc. would be the same as U.S. and Canadian $!

Mr. Grunwerg asks by what authority the Bank can change the currency. Well, Eire is not part of the UK and it was only for matters of convenience that our currencies were linked as indeed was the case with the Maltese Pound at one time.

As soon as Ireland joined the European monetary system her currency was firmly linked with European ones and as we are not the inevitable happened. It was all a case of supply and demand.

I did think that plenty of publicity was given at the time—and the matter was mooted at a much earlier date even though the pundits were expecting the exchange rate to go the other way!

B. G. W. Jamieson,
13, Rustwick,
Tunbridge Wells,
Kent.

Supplies of copper tube

From Mr. A. Macleod.

Sir, — Since October the copper tube shortage has disrupted our installation programme considerable, causing inefficiency and consequently loss of profit. My dependence on copper tube is virtually 100 per cent.

Mr. R. M. Jones (April 20) offer no consolation. A responsible organisation would have written such a letter weeks ago — not now when the supply situation is improving. My three regular builders' merchants could offer me no 15, 22 or 28 mm tube of British manufacture in November, December and January. In February, tube of foreign manufacture was available at vastly increased cost. Now that British tube is available again, it is worth noting that it is almost identical in cost to the tube of foreign manufacture (nearly 80 per cent greater than November's price for British tube).

While the Price Commission may have control over the end cost of copper tube, I doubt whether it has any influence over the London Metal Exchange. Suspicious minds must undoubtedly be forgiven for thinking that some market forces were at work, whether Mr. Jones's reasons are valid or not.

A. Macleod
P.O. Box 3, Petersfield, Hants.

Today's Events

U.K.: Mr. Len Murray, TUC general secretary, addresses National Union of Tailors and Garment Workers conference, Scarborough.

Financial Times three-day City course opens at City University Business School.

Scottish Trades Union Congress, Eden Court Centre, Inverness.

Amalgamated Union of Engineering Workers' engineering section conference, Town Hall, Eastbourne.

Royal College of Nursing conference, St. Peter Port, Guernsey.

National Union of Journalists annual delegate meeting, Ayr.

Lord Kearton, British National Oil Corporation chairman, speaks at Institution of Civil Engineers dinner, London.

Sir Kenneth Cork, Lord Mayor *of London, departs for Malta* (returns May 1).

Exhibition of Hodges' paintings of Cook's second voyage opens at National Maritime Museum, Greenwich.

Overseas: President Giscard d'Estaing of France arrives in Moscow on three-day official visit.

28th Casablanca International Trade Fair opens, Morocco, (until May 13).

European Parliament meets in Strasbourg.

OFFICIAL STATISTICS

Department of Industry publishes March final figures for car and commercial vehicle production. Central Statistics Office releases fourth quarter institutional investment figures.

COMPANY RESULTS

Final dividends: Amalgamated Power Engineering. Barrow Hepburn Group. Beralt Tin and Wolfram. Brook Street Bureau of Mayfair. Copydex. Ellis and Goldstein (Holdings). Flight Refuelling (Holdings). Gerrard and National Discount. Hoveringham Group. John Mowlem and Company. Newarthill. Harold Perry Motors. Robertson Group. Rowan and Boden. Vickers. *Interim dividends:* Anglo Scottish Investment Trust. Dowding and Mills. Walter Lawrence. RCF Holdings.

COMPANY MEETINGS

BSR, Savoy Hotel, WC, 12. Carlton Industries, Grand Hotel, Broad Street, Bristol, 12. Foreign Investments, 117 Broad Street, EC, 2.30. Forge Sneakon Road, Kirker 12. Alexander Howden, Eastern Hotel, Liverpool S, EC, 12. W. N. Sharpe, Bingley Road, Heaton, Bradford, 12. Felcourt, East Grinstead, West Sussex, 10.30. Quaglino's Hotel, SW, 12.

Spillers jumps to £14.7m and lifts dividends by 51%

Spillers which withdrew from bread-baking last year reports a sharp increase in profits and a 51 per cent dividend increase.

The food and flour group pushed up taxable profits 74 per cent from £8.49m to £14.73m in the 53 weeks to February 3, 1979. Sales for the period were up £1m compared with the previous 52 weeks.

Last year the baking operations made a trading loss of £9.4m, £7m of which was in the second six months.

The profits increase reflects a marked second-half improvement. At the halfway stage when the Board forecast a large year-end increase the taxable surplus was static at £6m.

However, the road haulage strike cost the group at least £1m.

The directors now say that an aggressive programme of growth has begun, and the group plans to spend more than £20m this year on the improvement and expansion of existing businesses. The money will be spread throughout the group with the largest slice going on a new feed mill at Avonmouth.

Substantial additional marketing funds have been allotted to the grocery products group to strengthen its leading proprietary brands. Last year this group increased profits for the fifth successive year in spite of the High Street price war.

The Board says the current year has started satisfactorily but adds that it is impossible to make a valid forecast particularly in the light of the changes in Government policy that will inevitably follow the General Election. The company has no plans for further closures.

Net profits are ahead 87 per cent to £11.02m and stated earnings per 25p share have risen from 3.62p to 6.74p. The final dividend of 1.215p net lifts the total from 1.35p to 2.04p.

The majority of the group's freehold and leasehold properties were professionally valued as at February 3, 1979. This resulted in £24.9m surplus over book value of which £22m has been credited to reserves and the remainder to minorities. Depreciation for the year has been provided on cost or valuation before the revaluation date.

Turning to the bread baking side from which the group withdrew in April last year the directors say that after off-setting the milling profit earned in supplying flour the overall trading loss from bread production was some £2.5m. Last year's annual report stated that the cost of withdrawing from baking was estimated at £29.3m, of which £22.1m was attributable to the company.

There was a net extraordinary item of £748,000 (£23.02m) relating to rationalisation costs and the disposal of businesses and investments at home and overseas.

A thorough appraisal of overseas investments took place in the year, with the aim of disposing of those that were showing poor returns or lacking in potential, and to concentrate the principal activities in the U.S. The interest in joint pet food ventures in Australia and Canada and the minority investments in agricultural businesses in the Middle East and Malta have been sold.

Despite the cessation in April of flour deliveries to the group's bread bakeries, the milling results for the year were satisfactory.

On the agricultural side a major restructuring of management and organisation was made during the year. A marked improvement in the second-half led to an overall advance in sales and profits of animal feeds. The contribution from Sainsbury-Spillers was disappointing due to depressed conditions in the egg market.

The meat group increased its profits despite difficult conditions in the industry. The food ingredients group made record profits and volume sales.

Increased volume of business and a rigid cost control produced yet another record profit from the Mario and Franco restaurants. In September the City Tiberio was opened and results have well exceeded forecasts. Further expansion has continued.

See Lex

HIGHLIGHTS

Lex looks at the first annual results of Spillers since the shut down of its bread baking activities. There is a marked recovery but the dividend has only been partially restored. Unilever has produced its annual report which shows that there is still an uneven worldwide spread for a group this size. Lex also studies the annual report from the National Freight Corporation which could be subject to denationalisation moves if the Conservatives regain power. Elsewhere good first quarter figures from Reed Canada are reported with favourable implications for the parent Reed International. Meantime Simon Engineering is still achieving growth—profits up 16 per cent pre-tax—though it continues to warn about the level of world trade. Telephone Rentals produces another solid set of figures but DIY retailer, Home Charm, produces the widely anticipated jump in profits. Hopkinsons profits are well down and the shares, which have been relatively weak, slid a further 3p.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Maxim's	5.5	May 18	5	5.5	5
Cope Sportswear	0.1	—	0.09	0.2	0.18
P. & W. Maclellen	0.93	—	0.8	1.43	1.3
Photax	1.83	June 1	1.52	3.03	2.72
Thomson T-Line	1.7	—	1.65	3.35	3.3
Sheffield Brick	2.39	—	2.1	3.14	2.85
Futura ......2nd int.	1.4	—	1.4	2.45	2.45
Lowland Drapery	2.66	July 2	2.63	3.6	3.47
Hoskins & Horton	†8.7	June 11	3.66	10.39	5.17
Wight Const.	5.5	June 7	4.75	8.25	7.5
Elbar Industrial	†6	July 2	4.5	†10	8
Hopkinsons	4.15	June 15	3.71	5.65	5.06
Jessel, Toynbee	2.77	May 31	*2.57	3.65	*3.27
London & European	0.6	—	0.5	1.1	0.5
S. Simpson ......int.	1.31	July 6	1.31	—	4.26
Westgarth	1.5	July 2	3.48	2.55	4.53
Simon Eng.	6.07	July 2	5.07	9.07	7.84
Smith St. Aubyn	3.05	June 14	3.01	5.55	5.01
Bestobell	5.83	June 6	5.83	9.61	9.52
Travis & Arnold	3.49	—	3.12	4.26	3.31
Telephone Rentals	4.8	—	4.3	6.52	5.9
Spillers	1.22	July 2	0.53	2.04	1.35
Home Charm	3.45	June 2	2.33	5	3.62
T. C. Harrison	3.38	July 2	2.75	4.92	4.12
F. Cooper ......int.	0.33	June 11	0.33	—	1.12
Fogarty	3.71	—	1.7	4.83	2.55

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues.

Bestobell shows £0.6m shortfall

Bestobell, the international engineering and chemical products group, reports a pre-tax profit of £4.9m for 1978, compared with £5.49m. Group sales advanced from £85,610,000 to £95,496,000.

At the interim stage the profit fall was from £2.73m to £2.38m.

As a result of lower tax net yearly earnings per 25p share amount to 27.0p, against 23.5p. The final dividend is 5.83p which including 0.08832p relating to the tax rate change and paid at the interim, makes a total 9.60832p (9.51559p).

Sir Humphrey Browne, part-time non-executive chairman for the past six years, announces that Mr. A. B. "Sandy" Marshall, former managing director of P and O Group, will become full-time executive chairman of Bestobell after the AGM on June 1.

Commenting on the pre-tax profit Sir Humphrey says that the deterioration in trading conditions in Southern African countries and costs of starting up operations—much greater than anticipated—in particular at the new factory in Scotland, took their toll. These adverse factors were not wholly offset by improvement in other parts of the company which did not come up to expectations.

"On the positive side, most of the established UK companies did well: their operating profits in aggregate were a record. The Australian company also produced increased profits notwithstanding trading conditions in that country remaining far from easy for most of the year.

"The charge for taxation was substantially lower principally because of the change in the geographical location of pre-tax profits.

Sir Humphrey's statement continues:

On prospects he states that "the UK companies are in a strong position to benefit from any upturn in the economy; the Australian company is in good shape, and there are indications of an improvement in trade in that country; but the Southern African activities remain problematical.

Under normal conditions the prospects for Bestobell as a whole should be good both for recovery of the tempo and for further growth. However, because of the generally disturbed conditions in the UK the out-turn for 1979 is hard to predict.

• comment

The main drag on Bestobell's earnings last year were the poor overseas performances, particularly from its South African activities, and the heavier-than-expected start-up costs at its new Scottish factory. Pre-interest overseas profits (excluding Europe) were down from £3.1m to around £2.6m, including South Africa, where profits fell to about £½m. In addition the group also incurred a loss of about £½m on the Scottish plant. However, the decline in group profits was less marked in the second half than in the first and its share price rose 1p to 151p yesterday. And the appointment of Mr. A. B. "Sandy" Marshall as full-time executive chairman could create considerable interest in the City. The shares are on a p/e ratio of 5.4 and a yield of 9.9 per cent.

Unilever less optimistic about economic outlook

UNILEVER is slightly less optimistic about the outlook for world economic growth than it was a couple of months ago.

Speaking at a press conference yesterday on the publication of the 1978 report and accounts, Sir David Orr, chairman, said that economic growth in Europe will now be at "roughly the same rate in 1979 as in 1978." The group had previously said that it expected growth in most European countries to be slightly higher in 1979.

In the industrialised countries where Unilever operates, growth in 1978 was about 3 per cent, compared with 2.5 per cent in 1977. Europe, which accounts for around two thirds of group sales, grew by 3 per cent in 1978.

On the subject of raw material prices, Unilever is mildly optimistic. Prices of soyabeans, the group's biggest raw material, are likely to remain roughly unchanged or grow by 5 per cent or so, says Sir David Orr. Tea prices are also unlikely to move much in the current year. By contrast, the rise in crude oil prices has put up Unilever's packaging costs by around a fifth.

In common with all major UK companies Unilever has been adversely affected by the lorry drivers strike and Tony Hill, chairman, UK national management, has estimated that this cost the group £10m or so in lost profits in January. Some of this has been recouped.

Although Unilever increased its capital spending from £314m to £340m in 1978 and should increase it by another 10 to 15 per cent in the current year, the group's future capital spending plans have fallen from £432m in 1977 to £360m in 1978. In 1978 Unilever increased its productivity worldwide by 4.0 per cent.

Partly as a result of the £200m increase in working capital and the National Starch acquisition last August, Unilever's loan capital has increased from £1.31bn to £1.51bn and the liquid funds have fallen by £60m to £288m. The gearing has increased from 29 per cent to 33 per cent — its highest level for over a decade.

Sir David said at the press conference that National Starch would cover its financing charges in 1979. The company has been growing at a steady 15 per cent per annum over the last 10 years in both sales and profits and appears to ride recessions well, said Sir David. Under Unilever's control there was a good chance that it would be able to push up National Starch's growth rate.

In Nigeria, one of the main spheres of operation of UAC International, Unilever is rather gloomy. "The Nigerian economy is depressed at the moment and the Government has had to impose severe restrictions on trade and commerce," says Sir David. "The full effects of these are now being felt on our business there. Basically, however, the country is strong and we see the present difficulties as temporary."

Because of a sharply lower cost of sales adjustment Unilever's attributable profits on a current cost basis rose by 11.3 per cent in 1978 — nearly twice as fast as the historic cost profits.

See Lex

TR expands to record £10.9m

PRE-TAX PROFITS of Telephone Rentals advanced 14.3 per cent from £9.55m to a record £10.92m in 1978 on increased turnover of £36.12m against £30.78m. At midway the surplus was up from £4.49m to £5m and the directors expected a satisfactory outcome.

They now say new rental business in the first quarter of 1979 was at a high level and in advance of expectations.

New sale business has yet to reach last year's record results, although the outlook is favourable. The directors are therefore confident 1979 will be another successful year.

After tax for the year of £5.56m (£5m), earnings per 25p share are up from 11.61p to 13.65p. The net final dividend is 4.80175p, lifting the total from 5.90108p to 6.51678p.

Attributable profit came through higher at £5.3m compared with £4.51m after minority interest up from £47,000 to £63,000.

	1978 £000	1977 £000
Turnover	36,116	30,778
Rental	19,083	17,228
Sales and other	17,033	13,550
Trading profit	10,347	8,973
Depreciation	3,769	3,365
Associates profit	261	286
Interest	312	295
Profit before tax	10,920	9,554
Tax	5,559	5,002
Net profit	5,361	4,552
Minorities	63	47
Attributable	5,298	4,505

• comment

With profit growth of 14.3 per cent and steady margins last year Telephone Rentals has reinforced its image as a solid but unspectacular performer and profits of at least £12m look within range for 1979. Rental business developed more slowly than the direct sale side, primarily owing to installation backlogs after the postal strike. The company expects rentals to pick up well this year and the new PABX system should make a greater contribution to earnings than in 1978. Foreign operations, which accounted for 15 to 20 per cent of business, were generally good though Australia was disappointing. The share price looks a little vulnerable with a cash flow multiple of almost eight, while at 179p the stated p/e is 12.8 and the yield 5.5 per cent.

Hoskins & Horton up to £870,000

TAXABLE profits of Hoskins and Horton, builder and contractor and civil engineer, were £869,946 in 1978—ahead of the forecast of not less than £840,000 at the time of the rights issue last November. Last time the surplus was £607,488.

Profit includes a £210,297 (£175,609) exceptional surplus on sale of freehold land.

The directors say the Horton companies, engaged in building supplies, can be expected to overcome a poor start in the current year caused by the severe weather. Hoskins has made an improved start, and the interim results for the group are expected to compare favourably with the £316,600 last time.

Turnover for the year rose from £8.56m to £9.5m. After tax of £321,311 (£224,543), stated earnings per 20p share are higher at 22.5p, against 15.8p.

As forecast in November, the net final dividend is 8.69884p, lifting the total payment from 5.171p to 10.38784p.

There are extraordinary expenses of £21,971 this time. Group net assets employed £4m (£3.43m).

An employee profit sharing scheme will be submitted to an extraordinary general meeting after the AGM.

	1978 £	1977 £
Turnover	9,500,028	8,557,262
Profit before tax	869,946	607,488
Tax	321,311	224,543
Net profit	548,635	382,945
Extraord. debit*	21,971	—
Leaving	526,664	382,945
Pref. dividend	840	840
Ord. dividends	268,401	122,234
Retained	257,423	259,871

* Extraordinary expenses charged in arriving at 1978 profit after all charges including taxation.

NEWS INTL.

News International is proposing a one-for-one scrip issue.

The date of the AGM has been changed from June 7 to June 13.

Richardsons, Westgarth's £0.6m loss—dividend cut to 2.6p

Richardsons Westgarth and Co., the engineer and boilermaker, suffered a taxable loss of £638,354 in 1978. This compares with a profit of £2m the previous year.

The dividend is cut from 4.53p to 2.55p net per 50p share after a final of 1.5p, against 3.4844p. The loss per share is 2.3p (7.6p earnings).

The group says the poor results were due to substantial losses from the Humber Graving Dock and Engineering Company and RW Transmissions. In both cases very difficult trading conditions were compounded by strikes.

Radical measures, including redundancies and closure of a works, have been taken, and the management strengthened. The cost of these steps, with redundancy and transfer of activities at one other subsidiary, are shown as £394,312 exceptional debit.

However, despite the continued depression in the ship repairing market the group is looking for some improvement this year.

After a tax credit, and extraordinary item of £940,000 this time, there is a profit of £848,611, against £971,917.

The extraordinary item results from last year's agreement with the Department of Industry on compensation for the former subsidiary, George Clark and NEM, which vested in British Shipbuilders in July 1977. It represents the excess of compensation over book value of the investment in the company.

Results for 1978 include interest of £228,702 on compensation for vested assets. Those for 1977 a £177,763 dividend from George Clark and NEM for the half-year ended June 30, 1977, and £121,875 estimated interest on compensation.

The 1978 results include Gardiner Barugh and Jones, steel stockholders, bought in January 1978.

• comment

Richardsons Westgarth's full-year results are nothing short of disastrous. Against a background of poor trading conditions in the ship repairing industry, where the amount of work available is sufficient for only half of the present labour force, RW also had to contend with two very damaging strikes which lasted 10 weeks. The subsequent rationalisation cost nearly £0.4m and the dividend—44 per cent less than the previous year — has only been covered by the compensation payment for George Clark and NEM. The lone bright spot was the stockholding and merchanting activity which more than doubled its profit contribution to £0.44m. To help alleviate the problems the company has closed a plant and cut back its labour force by 10 per cent but clearly other remedial measures will have to be brought in if the company is to ride out the storms ahead. The prospects are bleak so long as the ship repairing industry remains depressed — a factor which may put future dividends in jeopardy. At 43p the shares currently yield just over 9 per cent.

Reed Paper stages first-quarter turnround

A MAJOR turnround was staged in the first quarter of 1979 by Reed Paper, the Reed International subsidiary. The Canadian company made a taxable profit of C$7.37m, compared with a $5.9m loss on sales ahead from $54.4m to $71.9m.

The main reasons for the improvement were strong pulp and newsprint markets and the low level of the Canadian dollar. The fall in the dollar's value accounted for about $2.5m of the increase in taxable earnings.

The company says it expects the level of profitability to continue throughout the year due to the firm markets for pulp, fine paper and newsprint.

But it adds that further recovery will be severely hampered until the future of the Dryden operations is resolved. The directors did not declare the July 1979 quarterly dividend on the outstanding cumulative preferred shares.

The pre-tax figure was struck after interest of $3.77m ($3.22m) and other income of $1.8m ($292,000).

Comparative figures have been adjusted to reflect the loss of operations discontinued in 1978.

See Lex

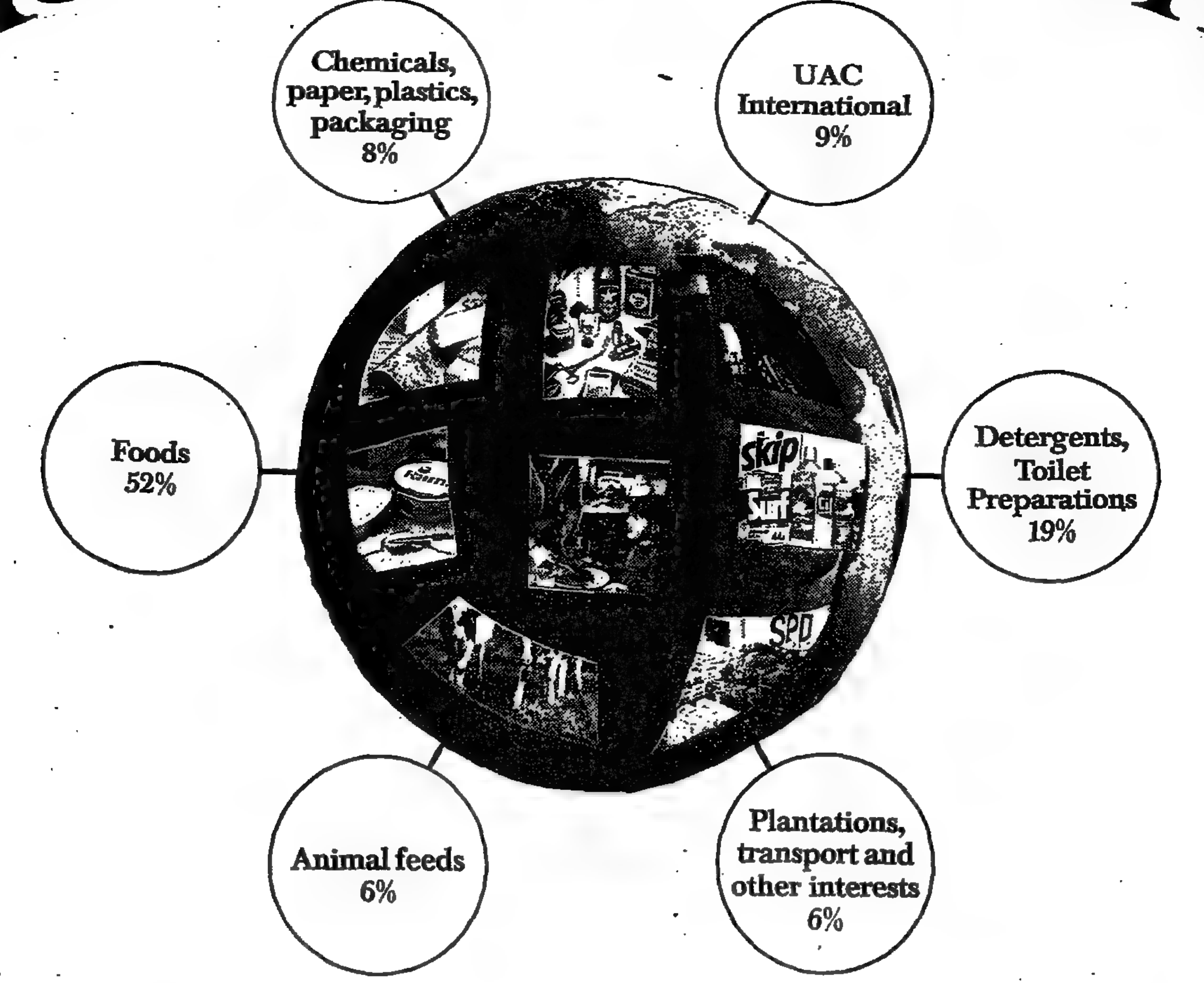
London & European upsurge

In line with London and European Group's forecast of a material improvement, 1978 pre-tax profits were well ahead from £353,000 to £913,000. This was achieved despite a £105,000 share of associated loss and profits are now close to the record £1m of 1973.

Yearly earnings, of this property investment and clearing and merchant banking company, increased from 2.7p to 4.7p per 10p share, and the dividend total is stepped up from 0.5p to 1.1p with a final payment of 0.6p net.

	1978 £000's	1977 £000's
Turnover	14,306	3,608
Operating profit	1,018	353
Associated loss	105	—
Profit before tax	913	353
Group tax	390	30
Associated tax credit	30	—
Profit after tax	553	323
Minority profit	—	1
Extraordinary debits	59	67
Attributable	494	255
Dividends	130	59
Retained	364	196

Unilever reports on 1978



The year in brief

For the year as a whole sales rose by eight per cent, at comparable rates of exchange, to £9,842 million. Of this about three per cent arose from increased volume. Profit attributable to ordinary capital rose by six per cent to £273 million.

In Europe most product groups apart from our toilet preparations and paper, plastics and packaging businesses increased their profits.

In North America the results of National Starch and Chemical Corporation, which were included as from 15th August, were good. Those of our other businesses in North America were affected by heavy expenditure for the launching of new products.

In most other countries outside Europe and North America profits at comparable rates of exchange were considerably above those of 1977. UAC International again did well but profits in Nigeria began to decline toward the end of the year.

Finance

There continued to be sizeable movements in exchange rates between the major currencies. The most important feature was the weakening of the U.S. dollar in the second half of the year against almost all other major currencies. Sterling weakened against the guilder and the deutschmark, but strengthened against the dollar.

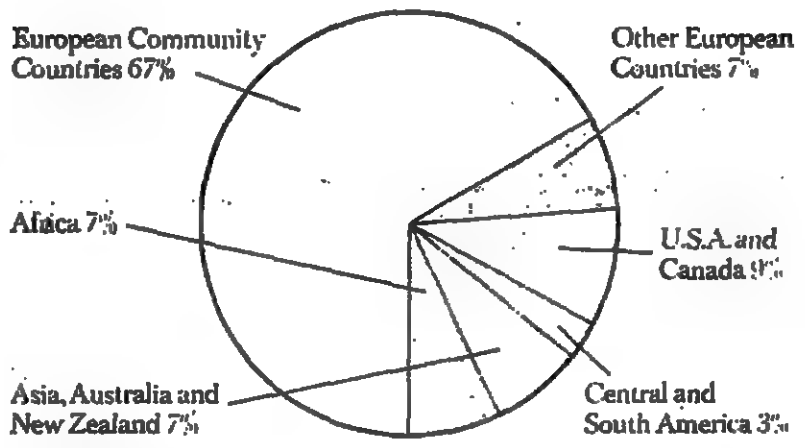
The major feature of the year was the payment of $485 million for the acquisition of National Starch. We financed $310 million of this by bridging loans which are available until August, 1981, and are treated as loan capital. These bridging loans will be consolidated into longer term loans as favourable opportunities arise. The balance of $175 million (£86 million) of the purchase of National Starch was paid out of our own funds.

Total net liquid funds declined from £348 million at the end of 1977 to £288 million at the end of 1978.

Capital expenditure remains substantially above depreciation and working capital increased rather faster than in 1977.

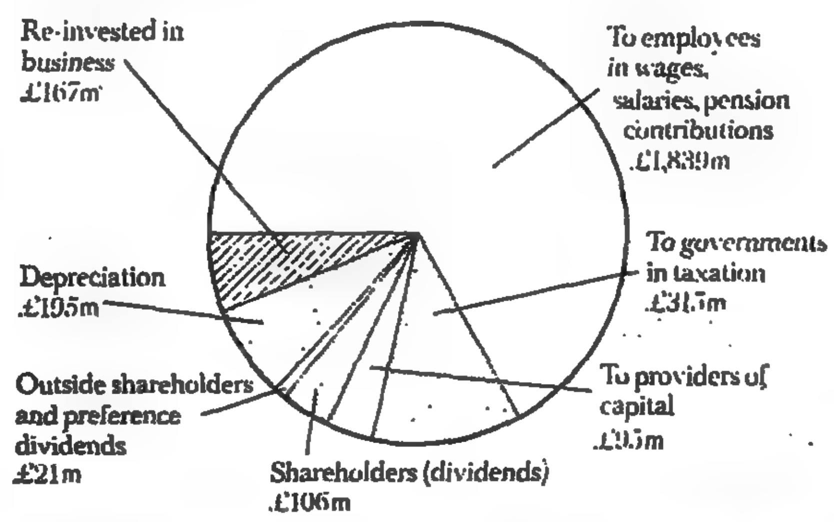
Our gearing, which was 29 per cent at the end of 1977, rose to 33 per cent at the end of 1978 caused by the acquisition of National Starch.

Geographical Spread

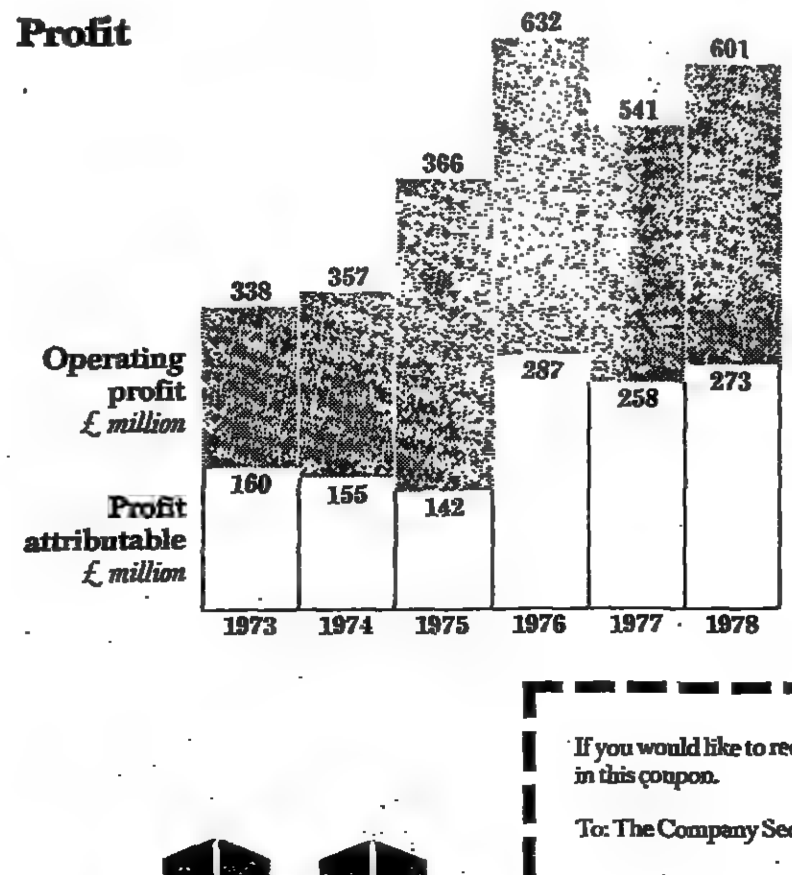


Value added

£2,738m, distributed as follows:-



Profit



Prospects

In most European countries economic growth in 1979 is expected to be slightly higher than in 1978. However, inflation does not seem likely to decrease further and upward pressure on costs is continuing. In the United States continuing high inflation may result in restrictive policies leading to rather lower growth. In most other countries in which we operate growth is expected to continue at present levels. Nigeria, however, is facing a difficult period.

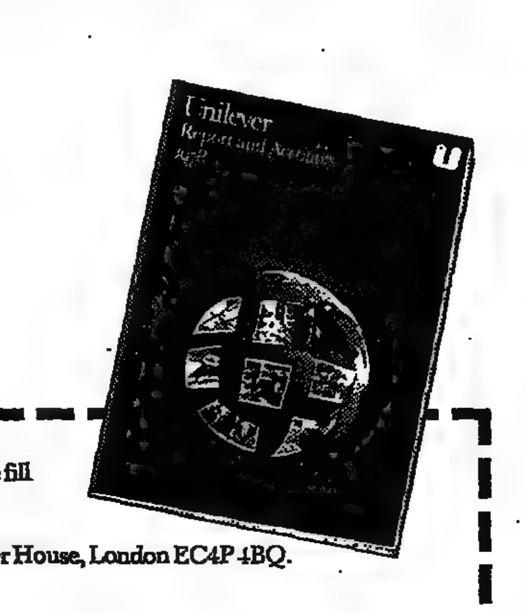
On the whole, we expect economic conditions to be about the same as in 1978. We hope that in these conditions we will be able to improve our performance.

Employees

The results reported upon in this advertisement were achieved by the hard work of more than 300,000 Unilever employees throughout the world in meeting the challenges and difficulties that every year brings forth. The resource and diligence with which they have dealt with these problems and the harmony with which Unilever people of all nationalities constantly work together are the foundation of our ability to make continued progress. We thank them for all they have done in 1978 to achieve the year's results.

Copies of the 1978 Report and Accounts have been posted to shareholders and holders of debentures and unsecured loan stock of Unilever Limited.

The Annual General Meeting of the Members of Unilever Limited will be held in Ironmongers' Hall, Barbican, London EC2 (entrance in Aldersgate Street), on Wednesday, 16th May, 1979, at 11 a.m.



If you would like to receive a copy of the Report and Accounts please fill in this coupon.

To: The Company Secretary, Unilever Limited, P.O. Box 68, Unilever House, London EC4P 4BQ.

Please send me a copy of your 1978 Report and Accounts.

Name ____________________

Address ____________________

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Unilever

Unilever comprises Unilever Limited, Unilever N.V. and their respective subsidiaries which operate in seventy-five countries.
The Report and Accounts of Limited as usual combine the results and operations of Limited and N.V. with figures expressed in Sterling.

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Companies and Markets

UK COMPANY NEWS

Simon Engineering goes ahead to record £16.6m

TAXABLE PROFITS of Simon Engineering advanced from £14.32m to £16.61m in 1978 on turnover which jumped from £197.36m to £235.6m.

The group says it does not see any immediate improvement in the outlook for international trading growth. However despite the difficult conditions the group itself is looking for reasonable growth this year.

	1978 £000	1977 £000
Trading profit	14,865	12,537
Turnover	235,601	197,363
Share of associates	627	765
Interest	1,114	1,220
Profit before tax	16,606	14,322
Tax	7,070	5,832
Profit after tax	9,536	8,490
Minorities	681	794
Exchange losses	348	443
Dividends	1,932	1,654
Retained	6,575	5,599

At the halfway stage when profits were up from £5.44m to £6.31m the directors said they expected to see a more modest profits improvement than in recent years. In 1975 the year's taxable surplus was £7m and the following year it had risen to £12.4m.

All the group's divisions improved profits with the biggest increase coming from food engineering which went ahead from £4.25m to £5.32m.

Net profits comes out at £9.54m, compared with £8.49m, and after minorities and exchange losses the surplus is £8.51m, against £7.35m.

The final dividend of 6.0652p net per 25p share lifts that total from 7.8419p to 9.0652p. Earnings per share before exchange differences are up from 37p to 42.6p and after, from 34.8p to 40.9p.

● comment

Simon Engineering has given repeated warnings about the level of world trade, yet there is no immediate sign that its own growth rate is about to tail off significantly. The 16 per cent pre-tax profit improvement in 1978 was right in line with market expectations and appears to have been maintained so far this year. Liquidity remains strong, giving ample scope to develop a fifth operating area. The oil services acquisition, Unichem, will contribute for nine months this time which, on an historic basis, could be worth at least £500,000 (adding back recent fluid drilling start-up costs), while the £80m Russian contract is expected to make the first of its two annual contributions. Merchanting and storage, with the help of some loss recovery, was the only division to improve margins last time and has apparently weathered the effects of the transport strike very well. Simon seems reasonably happy about food engineering orders, although demand for edible oils plant is a potential problem, and two recent U.S. manufacturing acquisitions, worth about £4.5m in sales terms last year, will add to manufacturing profits this time. The shares advanced 2p to 328p where the p/e is an undemanding 7.9.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims—Anglo Scottish Investment Trust, Border and Southern Stockholders Trust, Dowding and Mills, Walter Lawrence, R.C.F.

Finals—Amalgamated Power Engineering, Barrow Hepburn, Brook Street Bureau of Mayfair, Chesterfield Properties, Copydex, Ellis and Goldstein, Flight Refuelling, Gerrard and National Discount, Hoover, Hoveringham, Lake View Investment Trust, Mentmore Manufacturing, John Mowlem, Newarthill, Harold Perry, Petrocon, Rowan and Boden, Vickers.

FUTURE DATES

Interims—	
Land Investors	May 14
NSS Newsagents	May 15
Finals—	
Boot (Henry)	May 3
Cakebread Robey	May 14
Continental Union	May 2
Davies and Newman	May 1
Haden Carrier	May 1
Jersey Electricity	Apr 27
Manchester Liners	May 2
Marks and Spencer	May 8
Metal Box	Jun. 11
Nurdin and Peacock	May 1
Pentland Industries	May 3
Seccombe Marshall & Campion	May 10
Turriff Corporation	May 1
Wadham Stringer	May 1
Walker (J. O.)	May 2

Hopkinsons hit by provision

AFTER a £993,000 exceptional provision in respect of certain excess stock, taxable profits of Hopkinsons Holdings dropped from £4.28m to £2.3m in the year to February 2, 1979. Second-half surplus slumped to £173,000, against £2.58m.

At midway, profits were higher at £2.13m (£1.7m), but the directors warned that short-term orders requiring quick delivery had become progressively more difficult to obtain at reasonable profit margins. And unless there was a reversal, its effects would be felt in the second half.

The directors of this valves and boiler mountings manufacturer explain that the exceptional provision has been deemed prudent because of the depressed and changed market.

Turnover for the year rose from £35.44m to £39.98m. After tax of £1.19m (£2.25m), stated earnings per 50p share are down from 17.92p to 9.79p. The net total dividend is stepped up from 5.06p to 5.65p, with a 4.15p final absorbing £464,800.

Attributable profit came through at £1.11m (£2.02m).

	1978-79 £000	1977-78 £000
Turnover	39,976	35,444
Trading profit	2,398	4,484
Bank interest*	98	208
Profit before tax	2,300	4,276
Tax	1,186	2,252
Attributable	1,114	2,024

* Less investment income.

● comment

Hopkinsons has missed much of the market rise since the beginning of 1979 since it was becoming clear that the transport strike was going to have a very serious effect on the final, and probably most active, month of the group's financial year. Because delivery is the criterion in a soft valve market those losses, perhaps amounting to more than £500,000, are going to be very difficult to get back. Hopkinsons is more optimistic about writing back much of the provision on excess stock but, since process plant contractors have shown that they neither want nor can afford metricated products so far, that process might take some four years. The shares dropped 3p to 84p where the 10.6 per cent yield offers reasonable support although a p/e of 8.2 is relying on a solid start in making-up lost ground in a weak market.

T. Harrison rises to over £3m

DESPITE a slowdown in the second half, T. C. Harrison, Ford main dealer, ended 1978 with record taxable profits of £3.05m compared with £2.32m previously. Turnover was well ahead at £56.06m, against £45.64m.

At midway, when profits were up from £876,000 to £1.53m, the directors said third-quarter surplus was very satisfactory and they anticipated another record year.

The directors say the beginning of the current year has been considerably affected by the Ford strike which was followed by the transport industry dispute.

Despite these problems, first-quarter profits are comfortably in excess of those for the corresponding period in the previous year. Trading is back to normal and they say the company will produce another record year.

Tax for the year took £1.56m, against £1.13m. There was an extraordinary credit last time of £84,000.

Stated earnings per 25p share are up from 15.7p to 19.7p, and the net total dividend is stepped up from 4.1248p to a maximum permitted 4.9166p, with a 3.379p final. A one-for-one scrip issue is also proposed.

Group properties have been revalued and the £2.37m surplus has been incorporated in the accounts.

Home Charm expands 62% and dividend boosted to 5p

RECORD taxable profits of £2.11m in 1978 are reported by Home Charm—a 62 per cent increase on the £1.3m achieved last time. And the dividend is being boosted by 38 per cent.

At halfway, the surplus was up from £511,031 to £825,291 and the directors expected a significant increase in full-year results.

Sales in the first few weeks of 1979 were severely affected by the bad weather, the directors say. Trading has now improved and, excluding new stores, retail sales since the new year have increased by 14 per cent.

At the year-end, the retail selling area totalled 608,000 square feet. Since that date seven new stores have been opened and three less profitable units closed; plans to open a further nine stores are well advanced.

The tax charge for the year of £1.13m (£733,103) includes £935,731 (£668,531) deferred tax.

Stated earnings per 10p share are higher at 24.4p, against 14.3p, and the net total dividend is stepped up from 3.6244p to 5p, with a 3.45p final. A five-for-two scrip issue is also proposed.

The group is a home improvement, DIY, paint and wallpaper retailer and merchant.

	1978	1977
*Sales	£29,162,888	£22,324,248
Profit before tax	2,107,218	1,303,541
†Tax	1,129,016	733,103
Attributable	978,202	570,438
Dividends	122,915	85,652
Retained	£855,287	£485,786

* Excluding VAT. † Including £935,731 (£668,531) deferred tax.

● comment

The market had been predicting profits of £2m and a good rise in Home Charm's dividend for some time but actual sight of the 62 per cent profits jump, near two-fifths rise in the payout and hefty scrip issue sent the shares 31p higher to 373p. At this level they are on a fully taxed p/e of 15.1 and yield of 2 per cent, and even with another good year on the cards the price is beginning to look a bit heady. However there is widespread speculation that one of the big retail chains will move into the DIY sector with a bid and this underpins the market. On the trading front Home Charm had a very good year. Volume was up perhaps 15 to 20 per cent on a 6 per cent rise in selling area, and pre-tax margins rose by nearly a quarter. The trend to own brand goods has been a factor behind margin growth and this is particularly so in the growing kitchen furniture market where some 80 to 85 per cent of its sales are own brand. The company has added more selling space to date than in the whole of 1978 and a big increase—perhaps 18 per cent—looks likely for the year. Despite a poor sales start, this year could produce profits near to £2.7m and another dividend hike, though it could be time for holders to take a profit.

Travis & Arnold accelerates and finishes with £4.69m

GAINING momentum in the second half of 1978, Travis and Arnold, builders' and plumbers' merchant and timber importer, finished the year with higher pre-tax profits of £4.69m compared with £3.79m. At midway a rise from £1.65m to £1.81m was reported.

The directors report that activity in the building industry increased during the year particularly in the private sector and home improvement market.

The most significant development was the acquisition of the building supply interests of Ellis and Everard. Sales of £9.2m from this source in the last four months of the year are included in the group sales figure of £73.42m (£51.56m). However, after adjusting for interest these had no material effect on profitability.

The current year started uncertainly with the road haulage strike and severe weather conditions affecting returns. Nevertheless, underlying demand remains strong and the directors hope to recover lost ground by the year-end.

After tax for the year under review of £1.99m (£1.83m) earnings per 25p share are shown to have risen from 23.5p to 32.3p. The net final dividend is 3.4861p for a total 4.2586p (3.8137p), at a cost of £279,000 (£249,000). Waivers in respect of 1.71m shares have been received.

Net tangible assets increased from £18.94m to £21.13m, equivalent to £2.48 per share.

● comment

Travis and Arnold's full-year figures—profits nearly a quarter higher—are not far off market expectations in spite of interest charges completely offsetting the contribution from the new building supplies acquisition. The results reflect a sharp improvement in the second half from all activities but especially from plumbing and central heating (40 per cent of group sales). This division made a volume gain of around 15 per cent over the year. Meanwhile, the new acquisition is not likely to make much of an impact even in the current year as the company expects profits to amount to little more than the anticipated interest charge of £0.26m. Elsewhere, the company should continue to benefit from the increasing level of building activity. At 213p the shares are on a p/e of 6.5 (42 per cent tax charge) while the yield is a well-covered 3 per cent.

Jessel Toynbee lower at £0.94m

AFTER providing for rebate, tax, expenses and transfer to reserve for contingencies, Jessel, Toynbee and Company, discount house, reports lower net profits of £0.94m for the year to March 31, 1979, compared with £1.3m for the corresponding period.

Profit capitalised was £169,919. Last year there was a transfer to general reserve of £500,000.

A net final dividend of 2.77425p effectively raises the total payment from 3.268p to 3.64925p at a cost of £481,334 (£431,048). Some £1.21m (£0.92m) was carried forward.

At April 5, 1979, capital and published reserves amounted to £6.51m (£6.16m) and loans and deposits, etc., totalled £309.56m (£259.34m).

● comment

The decline in Jessel Toynbee's net profits is much less than it would have been if the recovery in the capital markets in late February and March had not come to the rescue. In fact there was a timely fall in MLR on April 5, the year-end date. Over the year as a whole Jessel has seen a big rise in commercial bill turnover in reflection of the distortions to the banking system caused by the "corset." Recently it has taken profits on gilts, which have been quiet in the past few weeks, although it has continued to find the Treasury variables to be useful holdings. The current has begun with poor running margins, but Jessel is happier about starting with MLR at 12 per cent than it was a year ago at 6½ per cent. Unchanged at 76p, the shares yield 7.4 per cent.

HEAL & SON

Mr. Brian Sellers, the chief executive of the retail furnishing group, Heal and Son, is to resign from his post with effect from April 30, 1979.

The group said yesterday that Mr. Sellers had "largely completed the programme of rationalisation which he instituted in December 1975."

Nobody on the present Board is to fill the vacancy which Mr. Sellers will create by his departure and his duties are to be spread among the group's other executives.

S. Simpson makes headway

On turnover 13 per cent higher at £10.91m, pre-tax profits of S. Simpson, tailor and clothier, rose 10 per cent from £840,000 to £922,000 in the six months to January 31, 1979.

After tax of £479,000 (£437,000) the net balance emerges up from £40,300 to £443,000. The net interim dividend is held at 1.3125p, costing £83,160. Last year's total payment was 4.2625p from profits of £1.91m.

Elbar earns and pays more

After an advance from £0.95m to £1.09m at midway, pre-tax profits of Elbar Industrial finished 1978 ahead from £2.07m to £2.2m.

As forecast at the time of the rights issue in December 1977 the total dividend is raised from 8p to 10p with a final payment of 6p net.

Basic yearly earnings, calculated on the weighted number of shares in issue during the year are given at 64.26p (84.19p). The fully diluted comparative figure is 83.08p.

	1978 £	1977 Restated £
Turnover	50,095,521	45,013,619
Operating profit	2,725,447	2,581,353
Share of assocd.	29,437	20,188
Income from invs.	2,523	38,397
Interest	556,964	566,789
Profit before tax	2,200,443	2,073,149
Tax	*101,951	11,129
Profit after tax	2,098,492	2,062,020
Extraord. credits	9,504	1,042
Available	2,107,996	2,063,062
Interim dividend	130,629	85,725
Final	195,944	110,218
Retained	1,781,423	1,867,119
Earnings per share—		
Basic (Note 2)	64.26p	84.19p
Fully diluted	64.26p	83.08p

* Accounting policy in respect of deferred taxation has been changed, with effect from January 1, 1978, in order to comply with SSAP 15. Comparative figures for 1977 have been restated on the same basis.

Wight marks time at £583,368

AS FORECAST taxable profits of Wight Construction Holdings was virtually static in the year to January 31, 1979. The group turned in a surplus of £583,368, against £572,645 on turnover up from £8.14m to £11.42m.

At the halfway stage pre-tax profits had dipped slightly from £263,000 to £255,000.

After tax of £240,697, against £271,878 net profit for the year is up from £300,767 to £342,671 and stated earnings per 25p share go ahead to a record 23.57p (20.69p).

The final dividend of 5.5p net lifts the total from 7.5p to 8.25p. There are proposals to increase the authorised capital from £500,000 to £750,000 and for a one-for-two scrip.

The board also proposes to change the company's name to Wight Holdings.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1975=100); engineering orders (1975=100); retail sales volume; retail sales value (1971=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value	Unem-ployed	Vacs.
1978							
1st qtr.	107.0	102.2	99	106.4	246.4	1,409	188
2nd qtr.	110.8	104.5	95	107.9	254.4	1,367	213
3rd qtr.	111.5	105.1	103	110.7	266.6	1,380	213
4th qtr.	109.7	102.5	113	111.7	273.0	1,340	220
Nov.	109.5	103.5	130	110.5	269.7	1,339	231
Dec.	111.2	93.4	112	113.8	279.8	1,321	231
1979							
Jan.	103.0	103.8	83	109.6	273.1	1,339	236
Feb.	110.4	110.5		110.4	275.4	1,363	231
March				110.5		1,350	238
April						1,311	250

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1975=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1978							
1st qtr.	105.2	98.8	116.2	99.9	96.6	98.0	17.8
2nd qtr.	108.0	98.1	122.4	99.7	107.4	101.2	27.1
3rd qtr.	108.0	99.7	123.2	100.8	101.2	103.8	23.0
4th qtr.	105.3	96.7	123.4	96.4	97.6	101.7	20.2
Oct.	105.0	96.0	121.0	96.0	97.0	100.0	24.5
Nov.	106.0	96.0	123.0	95.0	93.0	104.0	20.7
Dec.	106.0	98.0	126.0	98.0	102.0	101.0	15.5
1979							
Jan.	100.0	91.0	117.0	91.0	77.0	95.0	10.1
Feb.	104.0	101.0	129.0	101.0	101.0	100.0	12.6

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance; oil balance (£m); terms of trade (1975=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1978							
1st qtr.	119.6	113.8	−590	−361	−620	105.4	20.63
2nd qtr.	122.2	110.0	−173	+135	−414	104.5	16.73
3rd qtr.	124.9	114.4	−365	−49	−501	105.7	16.55
4th qtr.	125.1	112.8	−1	+359	−480	106.7	15.77
Nov.	122.6	114.1	−108	+12	−162	107.3	15.67
Dec.	126.7	113.0	+67	+187	−183	106.8	15.69
1979							
Jan.	113.1	107.3	−119	+1	−60	107.7	16.26
Feb.	Not available due to industrial dispute						16.62
March							17.45

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow; HP, new credit; all seasonally adjusted. Minimum lending rate (end period).

	M1 %	M3 %	Bank advances %	DCE £m	BS inflow	HP lending	MLR %
1978							
1st qtr.	24.3	23.8	17.5	+1,811	1,049	1,373	6½
2nd qtr.	8.5	15.7	24.5	+2,852	694	1,506	10
3rd qtr.	16.8	5.5	8.6	+517	746	1,541	10
4th qtr.	9.7	9.7	8.8	+1,523	878	1,576	12½
Nov.	12.1	10.6	9.9	+143	261	561	12½
Dec.	9.7	9.7	8.8	+826	254	507	12½
1979							
1st qtr.	14.7	12.0	32.8	+1,702	777		13
Jan.	13.8	16.5	21.3	+896	289	525	12½
Feb.	21.5	20.3	24.1	+1,068	231	531	14
March	14.7	12.0	32.8	−262	257		13

INFLATION—Indices of earnings (Jan. 1976=100); basic materials and fuels, wholesale prices of manufactured products (1975=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (Dec. 1971=100).

	Earn-ings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1978							
1st qtr.	123.1	140.2	148.2	190.6	197.3	238.61	64.6
2nd qtr.	129.9	146.3	151.8	195.8	203.8	242.27	61.5
3rd qtr.	133.2	144.9	154.8	199.2	206.3	253.74	62.4
4th qtr.	136.4	147.1	157.3	202.6	208.0	257.69	62.7
Nov.	136.1	147.3	157.1	202.5	207.9	263.63	62.5
Dec.	138.0	148.2	158.3	204.2	210.5	257.69	63.2
1979							
1st qtr.		152.2	161.5	208.9	218.8	268.83	64.4
Jan.	135.7	150.8	160.0	207.2	217.5	260.63	63.5
Feb.	141.0	152.0	161.7	208.9	218.7	267.36	63.7
March		153.8	162.9	210.6	220.2	268.83	66.1

* Not seasonally adjusted.

Jan.	103.0	103.8		109.6	273.1	1,339	236
Dec.	111.2	93.4	110	113.8	279.8	1,321	231
2nd qtr.	8.5	15.7	24.5	+2,857	694	1,506	10
3rd qtr.	16.8	5.3	8.6	+1,114	746	1,541	10
4th qtr.	9.7	9.7	8.8	+1,487	878	1,576	12½
Nov.	12.1	10.7	9.9	+120	261	561	12½
Jan.	13.6	16.4	21.3	+897	289	525	12½
Feb.	21.7	10.7	24.2	+1,070	231	531	14
March					257		13

● LONDON BRICK COMPANY LIMITED.

business news

WORLD'S LARGEST BRICKMAKER

Sir Ronald Stewart reports record results for London Brick in 1978

In 1978 turnover increased from £91,354,000 to £111,300,000. Profit before depreciation and interest amounted to £17,270,000 *compared with* £14,597,000 for the previous year. The charge for depreciation was £2,121,000 and interest paid less investment income amounted to £825,000 compared with £1,890,000 and £523,000 respectively.

The profit before taxation was £14,095,000 compared with £12,174,000. After charging corporation tax at 52 per cent, the profit after taxation amounted to £9,106,000 *compared* with £7,540,000 for the previous year.

An interim dividend of 1.4434p per Ordinary Stock Unit has been paid and a final dividend for the year of 2.19023p per Ordinary Stock Unit is recommended. The total dividend for the year on the Ordinary Stock therefore amounts to 3.63363p per unit *and is the maximum permitted* by the Treasury.

The retained profit for the year amounted to £6,666,000 and has been transferred to reserves.

It is with particular satisfaction that in my concluding year in office, I am able to report further growth in both turnover and profits. For the first time group turnover exceeded £100 million – and by a comfortable margin. *Pre-tax* profit rose by nearly 16% to a figure of £14,095,000 and as a result earnings per share rose to a new high of 15.33p. *Deliveries* exceeded those for the previous year and fletton bricks supplied by the Company increased their share of the national market.

REVIEW

By the chairman Sir Ronald Stewart, Bt.

The following are extracts from the circulated statement of the *Chairman*, Sir Ronald Stewart Bt., for the year ended 31st December 1978:

In December I announced my intention to retire from the Chair following the Annual General Meeting in May 1979. I have served the Company in a *full-time capacity for over fifty* years and I feel that the time has now come when I should retire from the Board and pass the weight of responsibility on to my younger colleagues, all of whom now have considerable *experience in running* the business. Mr. Jeremy Rowe will succeed me as Chairman.

The Board has been kind enough to mark my long service to the Company by giving me the title of Honorary President.

Construction

The major factor in the increase in profit was an improvement in the demand for fletton bricks. During 1978 output of all construction work rose by 7.1%. This represented a useful recovery in the overall workload but, of course, in constant terms was still well below the figures achieved in the early seventies. Within the total there was a further rise in output in commercial and industrial building and a corresponding fall in all non-housing public sector work. The *most dramatic contrast was,* however, in housing. Starts in local authority housebuilding fell by as much as 19%, a combination of Government cuts, underspending by local authorities and a switch to renovation of older property. On the other hand, the long-*awaited upturn* in private housebuilding finally occurred and private housing starts rose by 17%. The combined effect was a marginal fall on the previous year to a total of 265,500 housing starts. This was the lowest new housing figure since 1974, and marked *only the third time in twenty* years that the total has fallen below 300,000 dwellings. The continued slump in new housebuilding has been accompanied by a boom in repairs, maintenance and improvement. With the public sector taking up some of the *slack that will come from the* tightening of the Building *Society purse strings* it is anticipated that, by 1980, renovation of all kinds will account for a third of the total construction market. Whilst the trend away from new building will not help our brick sales, the *emphasis on home* improvement will be of direct benefit to those of our subsidiary companies involved in this field.

Stocklifting

In 1978 we reaped the rewards of the decision taken the previous summer to maintain production in spite of a mounting stockpile of bricks *which could, over the ensuing* winter, have reached mammoth proportions. Our forecasts suggested that the private housing market—our biggest single market—would improve and only the timing remained in doubt. After a wet commencement to the year which delayed work on site, new housebuilding picked up sharply in March and continued to grow until the half year when it began to falter as a result of *the continuing fall* in the public sector. At the end of March we had 393 million bricks stacked at our works but then demand broke through and the task of lifting our accumulated stock pile began in earnest. *By May we had lifted* sixty million bricks, by August a *100 million and by Christmas* the grand total of 263 million. *The great bulk* of our stocks of standard bricks had been sold and in doing so we had been able to keep pace with the rapid escalation in demand, replenish our coffers, and avoid the necessity of a further rise in *brick prices.*

A stocklifting operation of this magnitude coming on top of the normal requirements of production and distribution *represented a considerable* feat of organisation and planning and could not have been achieved without the enthusiasm and skill of all those involved. It provided a tonic to us all.

Production

Brick production for the *year was slightly below* that for the previous year and was in line with target. The reduction in output was achieved through a lower rate of overtime, thus helping to contain increases in cost.

At Clockhouse, where a completely new tunnel kiln *plant has been built to produce* high quality hand-made facing bricks, we have encountered considerable teething troubles in the sophisticated machinery designed to simulate mechanically the hand *operation of throwing a wad of* clay into a mould. The new *Clockhouse works* will be the first plant in this country to combine this process with the operation of a modern tunnel kiln and some technical difficulties were bound to occur.

Distribution

With the benefit of stocklifting, brick deliveries in 1978 were 14% up on those for 1977.

Fletliner, our containerised *rail distribution service,* benefited from the higher workload and during the year a record of over 21,000 containers were despatched from Stewartby to hundreds of building sites through terminals in London, Manchester and Liverpool.

The backbone of our distribution network remains the service provided by the LBC transport fleet now fitted almost entirely with Selfstak. This mechanical form of delivery enables our drivers unaided to unload on building sites, thus saving our *customers the disruption* and additional expense of hand unloading. During 1978 our capacity to deliver by Selfstak from locally based Roadheads was further extended by the opening of a South Wales Depot at Newport, Gwent *and a* North Eastern Depot at *Bowburn, County Durham.* Altogether the LBC fleet covered over 20 million miles in delivering to our customers and for the first time the average number of bricks delivered per vehicle day exceeded 10,000.

Prices

On June 1st the delivered price of all clay products was increased by just under 10%, the *result of higher costs for labour,* for distribution and for the *materials* and services that we have to purchase from the outside world. In a year in which house prices rose by 26%, the single increase in the price of *bricks put one-fifth of one per* cent on the cost of a newly *built house.* Even then increases in our brick prices can hardly be said to be inflationary because only a slight swing to the greater use of fletton facing bricks would, *particularly in the* public sector where they are less used, *result in an overall* reduction in the cost of the bricks.

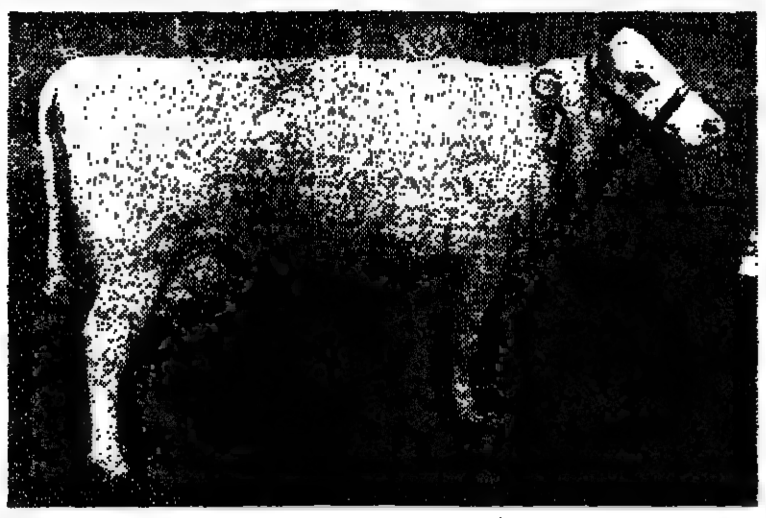
At the end of the year a more fundamental change took place in our pricing *structure.* For some years we had hoped *to simplify our method of* pricing and to reduce the work involved both in our Sales Offices and those of our *customers* by introducing geographical prices throughout the country, based *on easily identified pricing* zones. The project was held up by the Monopolies Commission investigation and by their subsequent recommendation that delivered prices throughout the country should reflect more closely the actual cost of delivery to any particular area. *In my 1976 Statement* to Stockholders I talked at some length on this particular issue and it remains our view that the small element of "levelling out" in fletton *brick prices* that had previously been our policy was *in the interest of our customers* and of the industry as a whole. *Be this as it may, we have since* that time co-operated closely with the Office of Fair Trading in incorporating the Monopolies Commission recommendation into what is an entirely new pricing structure. In this, zonal *prices reflect the actual cost* of distribution and so builders *distant from our works* find themselves paying a little more and those nearer somewhat less. Overall, however, there is no increase in our average delivered price to the customer. Of course there is nothing new *in the adoption of pricing zones,* but where we do believe we have broken *new ground* is in matching our pricing zones exactly to the Post Code district network. This means that our customers, by using our pricing brochure and current price list, can quite simply work *out for themselves* the delivered price of any of our *bricks to any area* in the United Kingdom, providing only that they know the postal code of the particular delivery point in which they are interested. We *hope* that this simple system of establishing delivered prices *will be of benefit to our* customers and that the use of postal codes for this purpose will be followed by others.

Overseas

It has been a disappointing year for London Brick overseas *and nowhere more than in Iran.* The first kiln of our new *brickworks* at Qarahchak near Tehran was lit up on Christmas Day 1977 and production was maintained until the end of 1978 when shortage of fuel oil forced the closure of the works. In the intervening period Stage *II of the new works was* virtually completed and would have come on stream had political events not intervened. Throughout the year the high quality pressed bricks produced by Tehran London Brick *Company found a ready market* in Tehran and at the time of closure the output was still being sold. Whatever the future holds in Iran, we have demonstrated that we can sell both our British machinery and *expertise overseas and that the* unique London Brick System of brick manufacture is ideally suited to the sort of conditions that apply in most developing countries. We shall persevere in finding other markets.

Our Engineering facility is now better placed than ever before to provide an export service and the acquisition of Midland Structures in Bedford in 1977 and improvements undertaken there since that *time mean that we now have* the facility to provide structural steelwork in addition to kilns and brickmaking machinery.

London Brick Buildings have also suffered setbacks in joint venture operations overseas.



Phorpres Wild Maid 13th

a pedigree Dairy Shorthorn who, during an eight year period, produced nine calves with an average lactation of well over 1,000 gallons and won some 24 major awards, including the Supreme Championship at both the East of England and the Royal Norfolk Shows. Like her dam and grand-dam, Phorpres Wild Maid 13th was bred by London Brick on their own farms.

Environment

Brickmaking has always been a rural industry and even today our fletton brickworks are situated in areas of predominantly agricultural land. A heavy industrial process such *as ours must result in some* atmospheric pollution but the effluent from our chimneys is predominantly air and steam and there is no evidence of it being harmful to human health. A small amount of sulphur dioxide is given off from the coal burned and the firing of the *Oxford clay with its valuable* carbonaceous content. The sulphur dioxide present in the atmosphere in the immediate area of the fletton brickworks is equivalent to that of a small industrial town and is, of course, much lower than that occurring in London or any of our major *industrial cities.* The effluent also contains a minute amount of fluoride, the concentration measured at ground level being about one-hundredth of the threshold limit value for possible effects on human health. It has *been known for many years* that fluoride in certain extreme cases can cause fluorosis in cattle but it has been demonstrated by the Ministry of Agriculture in their Fenton Manor Farm experiment that no danger exists if *normal methods* of good husbandry are used. If further proof were needed it has been provided by our dairy farms where Shorthorn herds bred in the immediate vicinity of the brickworks have, over the *years, achieved an outstanding* record of success in agricultural shows.

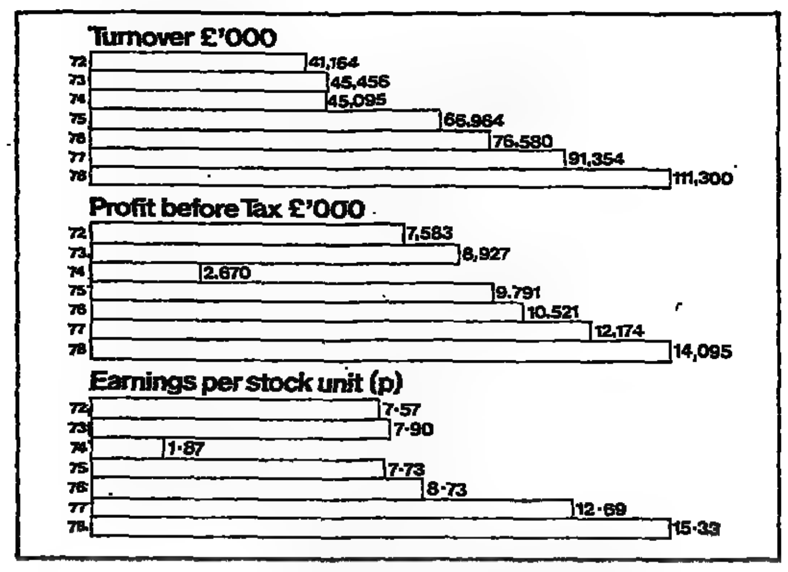
I mention the matter of atmospheric pollution particularly on this occasion because although the fletton industry has flourished and brought employment and prosperity to the areas in which *our clay is located for nearly a hundred years,* the Company has recently had to withstand some ill-conceived and largely inaccurate criticism from the media on this score. Although effluent from Fletton brick chimneys *is harmless it is* undoubtedly noticeable *because of its typical smell.* Our works were registered under the Alkali Inspectorate in 1958 and under their stringent control research has been undertaken for many years into the methods of treating the effluent gases to *remove all the pollutants.* No process, however costly, has, as yet, been found to achieve this without creating a greater problem than at present exists. In the words of the Alkali Inspectorate, "recourse must still be had to tall chimneys to effect adequate dispersion." *This is, in fact, the policy that* the Company is pursuing and will be accentuated by the construction of newer and more environmentally acceptable replacement works. In the meanwhile research into new *techniques and methods of* treatment continues at our Research Laboratories at Stewartby. Those interested in the work involved are welcome to visit us and to see for themselves both the complex *problems encountered* and the way which they are being tackled.

Croydex

Our Croydex subsidiary fits well into the overall theme of our activities which centre on what one might call the "homes" industry. 1978 has *been a year of further growth* for Croydex with the expansion in the sale of a wide diversity of articles for the house. In addition to expansion at home, export sales continued *to grow.*

London Brick Farms

Our new farming subsidiary had a profitable first year of operation. A start has been made on building up a new LBC Friesian dairy herd and we hope that the records achieved both from this herd and from the yields gained from our crops in the Marston Vale will demonstrate once again the profitable results that can be achieved from farming in the shadow of the brickworks and increasingly from land regained from worked out clay pits.



London Brick Buildings

At home London Brick Buildings have experienced a more successful year. I mentioned earlier in my *statement the growth in the* home improvement sector and changes made in the organisation of this Division in London Brick Buildings meant that we were able to gain the maximum benefit from higher *sales. The Garden Division* performed less well and the *build up in the sale of fencing,* sheds and ironwork was insufficient to compensate for a fall in the demand for greenhouses. Increased *industrial building at home* helped the fortunes of the Industrial Division which, in addition, continued to gain export business in the Middle East. Finally, in Leisure, Banbury prefabricated squash *courts maintained their sales of* squash courts.

London Brick Landfill

Ten years ago London Brick Landfill was formed and since that time the activities of this subsidiary company have been helping to improve the environment of our works by refilling our worked-out clay *pits and returning the land to* productive use. The first pits at both Bletchley and Peterborough have now been refilled, drained, topsoiled and fenced and are ready to be transferred to our farming subsidiary.

The tempo of this exciting *renewal will now quicken. The* Hendon Refuse Transfer Station built by the Company to the requirements of the GLC was completed on schedule and on November 23rd the first "Landfill Express", a Freightliner train carrying 400 tonnes of London refuse in sealed *containers, left London for* Stewartby where, under scientifically controlled conditions, the refuse is being used to reclaim derelict land. *The service is designed to* dispose of 208,000 tonnes of GLC refuse a year and in so doing will return to agriculture a brick pit 16 metres deep and seventy-five hectares in area. Preparation work is also under way *for a second project* when a similar amount of London *refuse will be sent by* Freightliner train to our Calvert works in Buckinghamshire where again it will be used to restore worked out land.

Our activities in waste disposal have now engaged the *interest* of the Department of the Environment who have set up a National test site at Stewartby to study the behaviour of refuse within a landfill site and to study the methods for handling waste. It is hoped therefore that our pioneering work in this field will *serve to increase our sum* knowledge and prove of long term benefit to the nation as a whole.

Tribute

At the conclusion of my time as Chairman and of my long association with the Company, I would like to thank all my colleagues at every level *in the business for the many* personal kindnesses that I have received. *The human factor* is all important and I like to feel that it exists throughout the Company, not just at management level but with our foremen, shop stewards, operatives and indeed all those who gain their livelihood from fletton brick-making and our associated activities. We have more to gain by working together in *harmony* than in *discord. In 1978 we proved* once again that it is the overall size of the cake that matters. If we can continue to work together in this spirit, the future will hold no fears and our Company will continue to prosper.

All you need to know about London Brick

Please complete the coupon below if you would like to receive copies of the Annual Report and/or the Brochure which outlines some of the Group's wide range of interests.

To: The Secretary, London Brick Company Limited, 12 York Gate, Regents Park, London NW1 4QL.
Please send me a copy of the Annual Report and/or the Brochure.
Please tick ANNUAL REPORT ☐ GROUP BROCHURE ☐
Name
Address
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BIDS AND DEALS

Two acquisitions by Brown & Jackson

Brown and Jackson, the building and civil engineering contractor, has agreed to pay £490,000 cash for 75 per cent of the ordinary shares of Autoguard extended Warranties, which markets warranties on motor vehicles to major U.K. garage outlets.

Brown and Jackson will also issue Autoguard with 250,000 of its 10¾ per cent cumulative £1 second preference shares and could make further deferred cash payments to the wendor of up to £1.56m over the next three years if warranties are met.

For the 17 months ended December 31, 1978, Brown and Jackson achieved net profits of £600,000 before tax and Autoguard's vendors have warranted net profits of £1.25m for 1979, £2m for 1980 and £2.25m for 1981.

Brown and Jackson has also agreed to purchase 80 per cent of the ordinary shares of Grakochus for £1.5m cash; cumulative net profits of £2.1m for the three years to December 1980 have been warranted by the vendors.

Grakochus and its subsidiaries are engaged in manufacture, marketing and distribution of footwear, achieving pretax net profits of £292,000 for the year to December 1977.

The company also proposes a scrip issue of four-for-one and the issue of 1.5m 10¾ per cent cumulative £1 first preference shares. It is intended that, subject to market conditions, these will be placed with a number of institutions and that an application will be made to the Stock Exchange for a listing for the shares.

The London Trust Co. has agreed to underwrite the issue.

The issue of 750,000 10¾ per cent cumulative £1 second preference shares of which 500,000 will be placed with the London Trust Co. and 250,000 will be issued to the vendors of Autoguard.

These shares will not be listed on the Stock Exchange but, once certain conditions are fulfilled, will be convertible into first preference shares.

The primary reason for the scrip and the preference share issue is to increase materially Brown and Jackson's capital base, which will enable the board to extend further expansion of the group by organic growth and further planned acquisitions.

MOVES AT ESTATES & AGENCY

The transformation of Estates and Agency Holdings is to continue. First Mr. John Rosefield bought a 28 per cent stake in the company and announced that he intended to inject £1.28m worth of property into the group in return for a 38.7 per cent stake. Now Mr. David Lewis and Mr. Neil Davis have agreed to inject a £1.5m property portfolio in return for a 36.2 per cent stake.

The two groups intend to act in concert to control the company and accordingly are required to make a joint offer at 85p per share for the remainder. That offer will depend on the success of the injections and the approval of shareholders for the issue of the new equity which will make up the two stakes.

The property portfolios, which comprise fully let central London offices, have also to be independently valued.

The offer document will not be published until after the extraordinary meeting concerned with the capitalisation issue. The date for the meeting will be set during the next 10 days. In the meantime the shares remain suspended.

OLYMPIA OFFER FOR EPC UNCONDITIONAL

Olympia and York Development's 60p per ordinary share offer for English Property Corporation has been declared unconditional following acceptances totalling 89.42m. shares or 93 per cent of EPC capital.

Acceptances were also received for 2.17m preference shares or 99.4 per cent and 2.47m of nominal 6½ per cent convertible unsecured loan or 75.6 per cent.

Meetings of EPC shareholders were held to consider a capitalisation issue, the alteration of the rights attaching to the ordinary shares and the cancellation of the conversion rights attaching to the 12 per cent convertible unsecured loan stock.

However, the proposals failed to obtain the sufficient majority on a poll of the 12 per cent stockholders.

Resolutions put to the other meetings were carried but are ineffective and therefore rights attaching to the 12 per cent stock remain unaltered and there will be no repayment in June 1979 or redemption in March 1981.
Reuter

GEORGE WILLS BUYS GRAIN MERCHANT

George Wills an importer and exporter is buying John H. Page, the Colchester-based grain merchant, in a deal worth £100,000.

The purchase consideration is to be satisfied by the issue of 140,280 ordinary shares of 25p each.

At June 30 1978, the date of its last audited accounts, the net tangible assets of Page amounted to £68,606, and pretax profits for the year ended on that date were £45,352.

The two executive directors, Mr. John Page, managing director, and Mr. Bruce Neville are continuing in office and Mr. Alan Massey, managing director of Wills existing grain operation, will be appointed chairman.

Wills said yesterday that "the acquisition will do much to strengthen and improve the group's involvement in the UK grain trade."

KITCHEN QUEEN

Following Kitchen Queen's agreed bid for Knott Mill Holdings, Ashworth Sons and Barratt have sold 22,500 Knott Mill shares at 57p and 20,000 at 60p for discretionary clients. They also sold 25,600 shares for associates of Knott Mill.

Lager brewery purchase to cost Bass £17m

BASS'S acquisition of the lager brewery at Alton in Hampshire from the Harp consortium, whose restructuring was announced last week, is expected to cost some £17m at today's prices by 1982.

Mr. Derek Palmar, Bass chairman, said yesterday that the cost of the acquisition of the brewery, plus the Courage packaging plant, as well as "substantial" new investment in kegging plant would be around £17m.

Some City analysts suggest that Bass may have got a bargain since the cost of a new lager brewery could be at least twice the cost Bass is paying.

In addition, Mr. Colin Mitchell, from stockbrokers Buckmaster and Moore, points out that while Courage will effectively receive the proceeds from the sale of the brewery, "it will ultimately encounter greater competition from Bass given the proximity of the Alton brewery to the new Courage brewery at Reading."

Mr. Palmar said yesterday that the extra capacity from the new Alton brewery was needed to keep up with demand for Bass's lagers, which at present are the pace setters in the fast-growing lager market.

BIRMID QUALCAST

Birmid Qualcast, the manufacturer of foundry, heating, home and garden equipment and wrought and engineering products, is to form a new company.

The new company—to be called MacPenny International—will be concerned with the marketing of products manufactured within the group's wrought and engineering products division for the irrigation and horticultural industries, and will be based at New Milton, Hampshire.

MacPenny is to be closely allied to Birmid's plastics interests and the resources of Plastic Engineers of Treforest and Plant Engineers (New Milton) will be utilised in the development and manufacture of new products to supplement the existing range of MacPenny propagation and plant care products for both the professional and amateur grower markets.

TILLING

Thomas Tilling reports the successful completion of the proposed acquisition, announced on March 15, of the northeast region of Ashland Oil Inc.'s construction industry affiliate, Ashland-Warren Inc.

The consideration involved is approximately $44m.

In the year ended September 30, 1978, total sales of the northeast region of Ashland-Warren were $100.4m and pre-tax profits amounted to $8.6m.

Tilling also announces the completion of its offer, announced on January 29 to acquire Summers Electric Company. The consideration involved was approximately $14m. For the year 1978 Summers' net sales were $127m with pre-tax profits $3.02m.

METRA LOWNDES

Metra-Lowndes-Ajax, the international systems partnership operating in the UK and abroad, has acquired Tempo Timesharing, the London-based company which writes tailor-made systems for mini and micro-computers and operates a time sharing service bureau. MLA's turnover has grown to £1.3m since its formation in July 1976.

GLASS AND METAL

Acceptances received by HAT in respect of the offer for Glass and Metal Holdings amount to 3,446,735 new ordinary and deferred shares (91.98 per cent). HAT additionally acquired 187,000 ordinary shares. The cash offer was accepted as to 301,844 new ordinary and deferred shares and in accordance with its terms, the offer has closed. The ordinary offer now unconditional remains open.

SLOUGH ESTATES

Under the agreement entered into in connection with the offer for Yorkshire and Pacific Securities in March 1969, a further 69,969 ordinary shares of 25p each have now been issued credited as fully paid by Slough Estates in exchange for 25,643 shares of no par value in Slough Estates Canada.

SHARE STAKES

Saint Piran—Gasco Investments of which Mr. James Raper is chairman, together with their subsidiaries now hold 2,733,000 shares (23.35 per cent).

City of Aberdeen Land Association—North Row Nominees have acquired 64,000 ordinary shares.

Bluemel Brothers—As a result of a purchase of 230,000 ordinary shares on April 19 M.Y. Dart has an interest in 305,000 ordinary shares (over 13 per cent).

Berry Trust—United Kingdom Temperance and General Provident Institution now has a holding of 3,000,000 ordinary shares (19.78 per cent).

Wilmot Breeden — Rockwell International Corporation now holds 8,304,000 ordinary shares (approximately 40 per cent).

MINING NEWS

Teck going ahead with copper-moly mine

BY KENNETH MARSTON, MINING EDITOR

CANADA'S Teck Corporation expects to start work next month on its C$150m (£63.5m) Highmont open-cut copper-molybdenum mine, construction work on which will take about 18 months. It adjoins the Rio Tinto-Zinc group's Lornex mine in the Highland Valley district of British Columbia, reports John Soganich from Toronto.

The newcomer will have an ore milling capacity of 25,000 tons per day. On the basis of a projected annual production of 50m lb of copper and an average of 4.5m lb molybdenum (the moly output will be higher in the initial years) the property will have a life prospect of 14 years.

This compares with 1978 production at Lornex of 135.4m lb of copper and just on 4m lb of molybdenum. The latter is studying an expansion of up to 50 per cent which would still leave it with a remaining life of over 20 years.

Moly production of the Teck mine will be sold to Germany's Metallgesellschaft under a contract which involves a mix of producer and open market prices. Arrangements for the sale of the copper concentrates are being finalised.

A 30 per cent interest in the property is held by Teck while the latter's 53 per cent-owned Highmont Mining, has the remaining 70 per cent.

Of other Canadian news, Denison Mines reports first-quarter earnings of C$15.6m, or 85 cents per share, compared with C$8.7m in the same period of 1978. The sharp improvement in latest quarterly profits is attributed to higher net revenue from oil, gas and uranium operations coupled with the exchange gain arising from the lower value of the Canadian dollar.

Also doing well is Falconbridge Copper (50.2 per cent controlled by Falconbridge Nickel) with first-quarter earnings of C$8.2m, or 68 cents per share, against C$1.1m a year ago. Higher prices were realised for copper, zinc, gold and silver while zinc output increased. But less copper was produced and operating costs rose.

The gold-producing Sigma Mines (62.6 per cent held by Dome Mines) made a record profit of C$4.3m last year from its operations at Val d'Or, Quebec. Higher bullion prices offset a reduction in gold output to 73,115 oz from 77,598 oz in 1977. Sigma proposes to make a two-for-one share split.

● Canada's mining industry has ben experiencing an investment revival following the lifting of dividend restrictions and the anticipation of more equitable tax treatment of the mines, irrespective of the outcome of the Federal Election on May 22. In addition, of course, account has been taken of the sharply rising mine earnings, especially at the higher Canadian metal prices. Teck has already pointed out that every 5 cents rise in the Canadian copper price lifts the company's earnings by some 21 cents; this year the Canadian producer price for wirebars has risen from 86 cents to around C$1.08 per pound. However, the share price of Teck is already largely discounting the likely growth in 1979 earnings. Shares of London's Rio Tinto-Zinc still sem a more attractive proposition.

Palabora lifts first interim

PALABORA MINING, the South African copper producer in the Rio Tinto-Zinc group, yesterday declared a first interim dividend for 1979 of 20 cents (11.4p), signalling to shareholders the possibility of substantially higher payments this year than in 1978.

Last year Palabora's dividend payments totalled 70 cents, made up of two interims at 12.5 cents, a third interim at 17.5 cents and a final at 27.5 cents. Net profits in 1978 were R25.7m (£14.7m) against R18m in 1977.

So far this year the copper market has continued to move in Palabora's favour and the production figures for the first quarter were well in line with those of the same period in 1978, given the fact that ore grades were lower. There has thus been a strong basis for starting this year's dividend payments at a higher level than last year.

The market had been expecting a payment of around 20 cents but the share price yesterday slipped 15p to 550p because of persistent selling from one South African source.

The future level of dividends, however, depends on Palabora being able to keep up production to gain the benefit of the strong market. The mine's autogenous mills operated at rated capacity in 1978, but the installation of new mill shells is expected to start in the middle of the year and could result in the loss of 5,000 tonnes output.

"The loss of potential production will tend to offset the benefits of higher copper prices," said Mr. G. A. Macmillan, the chairman in his annual statement last February.

At the annual meeting in Johannesburg yesterday, Mr. Macmillan took a moderately hopeful line about the copper market's future over the next few months. If a new price plateau is being established, from which there may be only modest price fluctuations; then producers and consumers can operate on a rational basis. In that case Palabora can look forward to a satisfactory year, he said.

Rio Algom is cautious

EARNINGS of the Rio Tinto-Zinc group's 51 per cent-owned Canadian arm, Rio Algom, have made a buoyant start to 1979 with a first-quarter net total of C$19.2m (£8.1m), or C$1.41 per share. This compares with C$12.8m in the first quarter of 1978 and that year's total of C$61.8m.

A first dividend for 1979 of 75 cents (31.7p) is declared. Last year a first payment of 54 cents was followed by a second of 75 cents.

All sectors of the group's operations, including copper, uranium and steel, have earned more in the first quarter. But Rio Algom warns that the high level of earnings may not necessarily be maintained for the rest of the year.

The company points out that the Tracy plant of Atlas Steels was closed for an indefinite period on March 21 owing to a reduction in productivity which made it uneconomic to continue operations. In addition, the recent improvement in the Canadian dollar will reduce foreign exchange gains.

Rio Algom shares were £17⅛ in London yesterday.

SHARP RECOVERY AT ATLAS

First-quarter figures from Atlas Mining and Development, the Manila-based minerals producer, will be more than $11m (£5.3m), Mr. Juan de Ibazeta, the vice-president, said yesterday. The group has recovered from what he called "a very trying" 1978.

In 1978 earnings for the whole year were just $7.2m and first-quarter income was a lowly $230,000. Behind the recovery is the rise in copper prices. During the first quarter of this year Atlas was receiving between 86 and 88 cents a pound, compared with an average of less than 63 cents last year.

London and Manchester ratios up

Significant increases in the expenses ratios of both the ordinary and the industrial branches is reported by Mr. H. L. K. Browne, chairman of London and Manchester Assurance in his statement accompanying the 1978 report and accounts. Excluding the two non-recurring expenditure items, the ratio in the ordinary branch rose from 29.5 per cent in 1977 to 33.1 per cent last year, while in the industrial branch it jumped from 46.3 per cent to 49.2 per cent.

Mr. Browne points out that these increases, particularly in the ordinary branch, derived in some part from a most successful year for new business. But it also came from higher expenses arising from inflation.

The company last year took advantage of the attractive rates of interest to increase its gilt holdings by £9.8m and other fixed interest securities by £2.6m. Investment in property rose by £5.7m, of which £2.7m represented expenditure in the new head office at Winslade Park, Exeter.

Good progress has been made in resolving the financial problems of Welfare Insurance. Mr. Browne reports that last year, the Board of Welfare was able to repay £500,000 of loans and the balance of £1.25m would be repaid by the end of this year.

Downturn at Smith St. Aubyn

Profit of Smith St. Aubyn and Co. (Holdings), discount broker and banker, fell from £1.95m to £1.49m in the year to April 5, 1979. This was struck after provision for tax, rebate and transfer to contingencies reserve.

The net final dividend is lifted from 3.012p to 3.046p, making a maximum permitted 5.546p (5.012p).

Steetley recovering lost ground

At the annual meeting of The Steetley Company, Mr. Tom Boardman, chairman, reaffirmed that the first two months of this year were severely affected by the road haulage strike and the bad weather.

These had a major impact upon sales and profits, and the effects were still noticeable in March. Picketing of ports and of the plants of many of the group's major customers substantially reduced deliveries for the home markets and for exports, while the bad weather, both in the UK and France, made quarrying operations difficult and halted a great deal of construction work.

The group was now recovering many of those lost sales but the consequences would inevitably affect the first six months' profits. In the last interim stage, taxable surplus was £10.16m; full-year profits were £20.36m.

The chairman said the upturn in steel demand, both in the UK and overseas, was welcome. The Canadian and Australian subsidiary companies were continuing at a higher level of sales and profits than last year, although Australia was currently suffering from a number of strikes.

The group was now trading more profitably than at the same time last year and the chairman expected the progress to be maintained worldwide throughout the remainder of the year.

Fogarty ahead to £2.7m

Sales and profits of E. Fogarty and Co., the household textiles group, have been increased substantially for the fourth successive year. Taxable profits jumped from £1.84m to £2.71m in 1978 on sales ahead from £17.45m to £23.12m.

And the company is looking for a further increase in both sales and profits.

The profits rise was forecast at midway when the group was ahead from £727,000 to £1.06m. The directors then said they expected the improved rate of profitability to be continued in the full year.

Net profits are well up from £1.13m to £2.17m and stated earnings per 25p share have jumped from an adjusted 27.4p to 50.7p.

The final dividend of 3.7124p net lifts the total from an adjusted 2.55195p to 4.8324p. Net assets per share are ahead from an adjusted 134p to 221p.

A £1.7m surplus on revaluing the group's land and buildings at January 1 1978 has been credited to non-distributable reserves.

	1978 £000	1977 £000
Sales	23,115	17,451
Profit before tax	2,705	1,840
Tax	534	710
Profit after tax	2,171	1,130
Pref. dividend	81	—
Ord. dividend	199	105

Over £0.5m for Cope Sportswear

An increase in pre-tax profits from £434,023 to £504,582 in 1978 is reported by Cope Sportswear. Turnover expanded from £6.34m to £9.19m.

At midway the surplus was up from £215,000 to £285,000.

After tax for the year of £125,873 (£233,048), stated earnings per 5p share are higher at 3.07p (1.63p). The net total dividend is effectively raised from 0.1802p to 0.2012p, with a 0.1006p final.

Intl. Harvester

Sales of International Harvester Company of Great Britain rose from £138m to a record £149m in the year to October 31, 1978, despite a reduced unit volume.

Net income, however, fell fro[m] £8m to £4.2m, caused primaril[y] by the company's inability t[o] attain planned production an[d] prices.

The company has 16 per ce[nt] of the UK tractor market and ha[s] announced a £7m order fro[m] Mexico. It holds 10 per cent [of] the UK construction equipme[nt] market.

Mr. L. A. Abbott, managin[g] director, comments that as th[e] year progressed it becam[e] apparent that the worldwi[de] agricultural machinery mark[et] was depressed. The UK mark[et] was down 12 per cent with th[e] rest of the world, excluding th[e] U.S., in a similar position.

There are signs that the troug[h] in world market demand is no[w] past following record harves[ts] and in the very importa[nt] domestic market demand [is] being maintained at an accep[t]able level, Mr. Abbott adds.

Capital spending in 1978 w[as] a record £5.9m and in 1979 [is] expected to total over £7m.

The company is a subsidiary [of] International Harvester Compa[ny] of the U.S.

Lowland Drapery decline

For 1978 Lowland Drape[ry] Holdings, wholesale and ret[ail] textile warehouseman, repo[rts] pre-tax profits of £175,8[..] against £219,701. This represe[nts] a second-half down-turn; for halfway, an advance fr[om] £116,100 to £121,500 w[as] announced.

With a net final payment [of] 2.662p the dividend total [is] increased from 3.47p to 3.6p.

DCI trebles profits to £375,744

Record taxable profits of £375,7[44] for the year to February 28, 19[79] compared with £123,920, a[re] announced by DCI (Holding[s]) the property group.

Mr. Allan Campbell Fras[er] chairman, says earnings p[er] share had doubled from last yea[r] 143p to 288p, and the profits h[ave] been achieved on the basis [of] development turnover of arou[nd] £1.3m.

This year, DCI will go ahe[ad] with the development of ind[us]trial estates totalling 170,0[00] sq ft in addition to a £1.[..] retail development in Pe[..] These projects are expected [to] create profit and indirect ov[er]heads of around £690,000.

ECONA STOCK

Econa, a Newman-Tonks s[ub]sidiary, is to submit a propo[sal] to the holders of its 7[..] secured loan stock 1986-91, f[or]merly convertible, to redeem [the] stock for £90 cash for each £1[00] nominal, £171,760 nominal of [the] stock is outstanding.

The High Street fast food battle

BY ROGER BOYES

"THE BURGER businesses are lining up for a real knock-down battle in the High Street"—so says a fast food executive speaking of the latest upturn in the take-away market and the scramble for prime-site stores. Take-away food manufacturers, schooled in the art of labelling "king-sized" hamburgers and "giant" milkshakes, lean towards marketing hyperbole—but for once their assessment seems to be free of exaggeration.

After a long period of sluggish growth, the fast food business in Britain—led by Kentucky Fried Chicken (GB), Wimpy International, and McDonalds—is taking off again. The big companies are searching for new sites and trying out new operating techniques to push up sales. This flurry of activity has attracted newcomers, usually successful companies in food-related businesses which are anxious to diversify.

But how will the debutantes survive in this strongly competitive market? They seem to have decided to plunge in at the deep end, aiming straight for the High Street and not bothering to establish a network of suburban stores in the manner of Wimpy or Kentucky.

While this is in keeping with current fast food philosophy, it also involves a high degree of risk. High Street rents are soaring, the competition for central property is intense, the established companies have larger advertising budgets and labour costs are high.

The investment that Wimpy has ploughed into modernising its business since late 1976 when United Biscuits (UB) took over, gives some indication of the intensity of the competition and of the funds available to the established fast food companies. Wimpy already has over 600 outlets but many are in the suburbs so since the UB takeover it has been searching for a larger slice of the High Street market. Its average investment for a new unit is about £170,000 and it has been taking on about 10 new stores annually (while admittedly shedding some of the more unprofitable ones). One site recently obtained for a large-scale counter service in Oxford Street in London will cost Wimpy approximately £200,000 pa in rent.

Meanwhile Kentucky plans to add a further 10-20 prime sites to its 250 outlets this year and is gradually introducing seating which should make them more competitive with the hamburger chains. McDonalds also intends to open another 15-20 outlets to add to the 29 company-owned stores it already has in the London area.

McDonalds has ensured that all of its British stores are company-owned in order to present a more uniform brand image. In general, the company, which has still not spread much further than the Greater London area, has maintained a tighter grip on its outlets than Wimpy and Kentucky, both of which rely mainly on the use of franchises. These companies have evolved strategies for spotting potential Wimpy or Kentucky franchisees throughout the country—a system which is far more sophisticated than anything that the fast food newcomers can devise at this stage.

Leonard Burt

McDonalds—planning to open at least 15 more hamburger outlets.

All of this clearly will make life difficult for the beginners in the fast food business. Tesco, which entered the market last year, expects to have about 25 Bake 'n Bite units in use by the end of 1979. They will be a combination of fast food sit down or take away ventures with on-premises bakeries.

Tesco plans to use former supermarkets and new properties for its outlets, but like all of the newcomers it has run into property problems. Local councils, for instance, are becoming increasingly reluctant to consider applications to change the status of shops or residential property into fast food restaurants. This has naturally forced up prices for prime site outlets which in turn has favoured the established fast food companies with their teams of property scouts and large funds available for property purchase.

This sort of problem has forced Bejam, another newcomer to the business, to buy a complete chain of restaurants from EMI for £5m. Bejam's executives describe this as a "fair price" but to many analysts it has seemed an expensive way of entering the market. Of the 38 purchased restaurants, only about 10 are suitable for conversions to fast food outlets. They are to be dubbed Trumps hamburger bars. Some of the remaining 28 are to be resold; others will continue to operate in their present form, as Tennessee Pancake houses or Wimpy Bars. Bejam however sees the purchase as rather more than a simple property transaction; it maintains that it is buying experience and intends to keep the same management in most of the restaurants.

Bejam, a frozen food manufacturer and retailer, provides a useful illustration of why companies take on the financial risks of the fast food business. It has over 150 freezer centres throughout the country, but competition is making progress tougher and it is simply having to work harder to keep profits up. Last year's preliminary figures show that while sales were up by almost one-third, profits rose only by about 16 per cent.

On the face of it then, the take-away business makes sense as a means of diversification for some companies. Bejam already makes hamburgers—some of which ironically, are sold to Wimpy's, a prospective competitor—and has been selling frozen chips for some years. The company has a property team, though it has naturally concentrated on the rather different market of freezer centre sites.

But will companies like Bejam be able to cope in an ever tightening market? They will be competing with Wimpy, and McDonalds for the same customer in the same High Street and offering essentially the same product—but without any of the massive resources available for advertising. There is clearly a limit to the amount of hamburgers that even a teenager—one of the principal target markets—can consume. Saturation point seems to have been reached in the U.S. market, prompting companies like Wendy and Burger King to look to Europe for fresher pastures. Profit margins at McDonalds' 700 foreign outlets exceed those in the U.S. while many of the smaller hamburger companies have been squeezed out altogether and forced to close.

But executives in both the new and established take-away ventures reason that the UK is some ten years behind the U.S. in fast food marketing terms. The U.S. companies witnessed some astonishingly high growth rates before the market reached its present stage of saturation. Newcomers, like Tesco and Bejam, feel that there could be a similar 5-10-year period of rapid growth in Britain. With the safety net of their primary business interests — supermarkets and freezer food retailing—they are willing to look on fast food simply as a potentially profitable experiment.

Japanese take up a British machine-knitting breakthrough

BY RHYS DAVID, TEXTILES CORRESPONDENT

BRITISH manufacturers may soon be making Japanese-designed cars and are already making Japanese-designed television sets but the traffic is not all one way: a major development in commercial knitting technology by Courtaulds, biggest British knitwear producer, has just been taken up by Mitsui, the trading group.

The Japanese learned of the development, which could have far-reaching effects on the economics of producing knitwear in developed countries, from a careful reading of a Japanese language edition of a British magazine, Knitting International. Serious exchanges began about a year ago with visits from Japanese technical experts to Courtaulds technology centre at Spondon near Derby. Earlier this year a deal was finally concluded under which Mitsuboshi Seisakusho, an associate of Mitsui, and one of the largest flat knitting manufacturers in Japan, will have exclusive rights to manufacture the Courtaulds development in Japan, and a non-exclusive licence to sell the machines throughout the world.

The development which has excited Japanese interest goes under the name of Presser Foot and is essentially an adaptation of the conventional V-shaped flat bed knitting machine, the fortunes of which have been in decline over recent years because it is slower than the circular knitting machine. The Courtaulds development which has taken some 13 years work, may lead to a substantial comeback for flat knitting. Even more important, it could enable developed countries to compete again in the production of certain types of knitwear which currently can only be made economically in low labour-cost areas.

New flexibility

The Presser Foot development opens up this possibility by greatly increasing the flexibility of the V-flat machine so that it produces partially or completely-finished garments, rather than simply knitted fabric. In addition the Presser Foot has the advantage of making it possible to produce a wide variety of special knitted effects and design features such as are now possible only through hand-knitting or in very labour intensive factory operations. Because it knits body shapes, the system offers knitting manufacturers significant savings in raw material costs, eliminating much of the waste in conventional knitted garment making. Using existing methods, as much as 25-30 per cent of fabric can be lost in the cutting room when body shapes are cut from rolls of fabric.

The new flexibility is the result of a design change which is claimed to be the most important technical breakthrough since the invention of the power operated V-flat machine 100 years ago. Put simply, on most flat-knitting machines the fabric is pulled away by a roller from beneath. This procedure imposes certain constraints on the way in which the two interlocking sets of needles in the flat bed machine are able to operate.

Because the pulling action creates tension it becomes impossible for any one needle or group of needles to be halted while others continue knitting. Yet it is essentially that which is required if complicated patterning effects or angled body shapes and trimmings are to be achieved. The Presser Foot, a simple attachment to the V-flat machine, does this by pushing the knitting down (hence the name) from above the needles in a way that enables needles to be taken out of operation while others continue to knit. More complex knitting then becomes possible.

The initial aim of the researchers at Courtaulds was to find a way of producing whole garments, Mr. Frank Robinson, a knitting development specialist, at Courtaulds and one of the co-inventors of the system, says. "With the rising cost of raw materials, waste was becoming more important. We were also very much aware that for every one man operating knitting machines there were perhaps 10 girls cutting and sewing the fabric and packaging the finished garments. With cheaper imports beginning to make an impact there was clearly a need to find a way of putting a garment together more economically."

The first experiments involved rigging up knitting machinery to knit three tubes—a body and two arm shapes—which were then joined on the machine to produce a single garment. It proved technically possible, but the mechanics were extremely complex, and this route is now regarded only as a longer term option. Development has instead concentrated on two other approaches which use the new flexibility allowed by the Presser Foot mechanism to impart special design or stitch effects, while leaving some final assembly of the garment still to be done.

With the first of these two approaches the machine knits the various panels—front, back, sleeves, pockets and other accessories—which go to make up the garment. They then have to be sewn by the machinist but the labour and waste involved in cutting are eliminated. Factory procedure is also simplified, Courtaulds claim, because all the parts are knitted sequentially and do not have to be brought together again after cutting. The avoidance of yarn waste makes this approach especially suitable when expensive raw materials are being used, while the ability to create panels of any shape required, means that the garment can be virtually bespoke. The significance is that some major store groups have argued that if they want knitted garments with a range of extra embellishments such as fancy belts, and pockets, or with unusual knitted effects, they have had to turn to the Far East. Because of much higher labour costs the UK industry has perforce had to concentrate on simple classic garments.

Design advance

The second approach—an intermediate stage between knitted shapes and whole garments—is the manufacture of a four pointed star shaped fabric. This integral form, as it is called, when folded in half forms a garment shape, which then needs only limited seaming and finishing by machinists. The formation of a garment from a single piece of fabric in this way offers important design advantages, particularly with geometrical patterns, overcoming the limitations which assembly of individual pieces imposes.

The first licence to manufacture the Presser Foot attachment was granted by Courtaulds to Dubied, the Swiss group which is one of the world's leading producers of flatbed knitting machinery. A second licence in Europe has been granted to FN Herstal, the Belgian engineering group, which has since linked its textile machinery operations with Bentley Engineering, the Leicester-based subsidiary of Sears Holdings. Roughly 50 machines are currently in operation around the world with Presser Foot, Courtaulds itself accounting for around half of these.

Other textile manufacturers in Europe have been somewhat slower than Courtaulds had been expecting to show interest but the depression in textiles is partly responsible. Another reason is that the system is more economic currently for certain types of knitwear than others, and manufacturers have as a result been reluctant to re-equip whole mills with Presser Foot adapted machines. The savings offered in yarn wastage and labour costs tend to diminish when fine gauges are being used.

Though the Presser Foot development opens up the possibility of incorporating exciting new design effects, until recently this facility would have greatly complicated the already complex and costly task of programming a knitting machine to produce to a specified design. Designs have to be plotted laboriously on graph paper and then transferred to punched steel Jacquard cards which operate rather like a pianola roll, with the holes determining which needles will be brought into play.

Electronic pattern preparation is now replacing these older methods of creating the design, and microprocessors are being introduced in place of Jacquard cards to control the knitting heads. Dubied has recently brought out a new electronic V-flat machine, the JET, which sells for not much more than the conventional mechanical machine—around £20,000-£25,000. The Japanese are known to be intent on using the Presser Foot on electronically controlled machines.

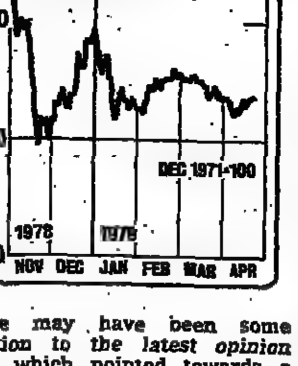
Inevitably there is the danger that as in other fields the Japanese will be much readier to exploit the development than British producers. Initially Mitsui are thought likely to concentrate on the domestic market. If the response in Japan is encouraging knitting manufacturers in other parts of the Far East are unlikely to be far behind in seeking the new technology. The development clearly offers UK and European producers the chance of a lead in certain types of knitwear production. But it is a lead which will almost certainly have to be taken up quickly, however.

Companies and Markets

CURRENCIES, MONEY and GOLD

Sterling weak

Sterling fell sharply in yesterday's foreign exchange market and sank to its lowest level for nearly a month. On Bank of England figures, its trade weighted index fell to 66.1 from 66.9 on Tuesday, having stood at 66.5 at noon and in the morning. The pound lost ground from the very start following on selling late on Tuesday in New York, and reflected a combination of some profit taking and unwinding of long positions.



There may have been some reaction to the latest opinion polls which pointed towards a narrowing of the Conservative lead ahead of May 3.

Against the dollar, sterling opened at \$2.0625-2.0635 and soon eased to \$2.0580. By mid-morning it had fallen to \$2.0525 and it was probably around this level that the Bank of England gave a little support. Consequently the pound made a slight recovery towards lunch and touched \$2.0550. However, soon after midday the downward trend resumed and by 4 pm sterling had sunk to \$2.0450 with New York quoting around \$2.0410. In London sterling finished at \$2.0410-2.0420, a fall of 2.6c.

The dollar showed very little overall movement against other major currencies and finished slightly down from Tuesday's closing levels. Against the D-mark it finished at DM 1.8930 against DM 1.8960 and SwFr 1.7140 compared with SwFr 1.7170. The Japanese yen remained steady at Y218.30. On Bank of England figures, the dollar's trade weighted index was unchanged at 85.9.

FRANKFURT — Sterling fell sharply against the D-mark and was quoted at DM 3.8800 compared with a previous closing level of DM 3.9200, with interest reverting once more to the D-mark. Consequently, the dollar was also weaker, and after falling below DM 1.8900, it was fixed at DM 1.8939 against DM 1.8853 previously. There was no intervention at that time by the Bundesbank. The dollar may also have suffered as a result of nervousness surrounding the possibility of worsening U.S. trade figures and consumer price index.

AMSTERDAM—The dollar was fixed at Fl 2.0535 compared with Fl 2.0545 on Tuesday. In later trading it eased to Fl 2.0530.

TOKYO—The dollar showed a slightly firmer tendency yesterday and closed at Y218.375, compared with Y218.175 on Tuesday. Trading was somewhat subdued, reflecting the effects of a general transport strike. However the Bank of Japan intervened in the market and gave support to the yen to the tune of about \$100m. The U.S. unit touched Y218.90 during the morning but then fell back briefly to a low point of Y218.30.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU April 25	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	39.4582	40.1127	+1.66	+1.32	±1.53
Danish Krone	7.08592	7.04692	−0.55	−0.89	±1.635
German D-mark	2.51064	2.52715	+0.66	+0.32	±1.1325
French Franc	5.79831	5.81037	+0.21	−0.13	±1.35
Dutch Guilder	2.72077	2.74002	+0.71	+0.37	±1.5075
Irish Punt	0.662638	0.661370	−0.19	−0.53	±1.665
Italian Lira	1148.15	1125.17	−2.00	[illegible]	±4.0725

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

THE POUND SPOT AND FORWARD

April 25	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.0400-2.0635	2.0410-2.0420	0.45-0.35c pm	2.35	0.88-0.78 pm	1.62
Canada	2.3270-2.3525	2.3275-2.3285	0.30-0.20c pm	1.29	0.75-0.65 pm	1.20
Nethlnd.	4.19-4.24½	4.19-4.20	2⅛-1⅛c pm	5.36	5½-4½ pm	4.77
Belgium	61.30-62.05	61.35-61.45	30-20c pm	4.88	72-62 pm	4.36
Denmark	10.77-10.90	10.77¾-10.78¾	3¼-1½ ore pm	2.78	5¼-3¼ pm	1.67
Ireland	1.0135-1.0165	1.0140-1.0150	17-27p dis	−2.60	60-70 dis	−2.56
W. Ger.	3.86-3.92	3.86¾-3.87¾	2⅞-1⅞pf pm	7.37	6⅞-5⅞ pm	6.59
Portugal	99.70-100.70	99.75-100.05	50-110c dis	−9.61	140-240 dis	−5.38
Spain	138.40-139.20	138.45-138.55	30-90c dis	−5.19	90-170 dis	−3.75
Italy	1719-1740	1719-1720	2lire pm-par	0.07	2¼-¼ pm	0.23
Norway	10.53-10.63	10.53-10.54	4-2ore pm	3.42	8¼-6½ pm	2.85
France	8.88-8.99	8.88-8.89	3½-2¼c pm	4.39	9¾-8¼ pm	3.94
Sweden	8.97-9.07	8.97½-8.98½	2¾-¼ore pm	2.34	6¾-4¾ pm	2.58
Japan	443-453	445-446	3.15-2.80y pm	8.01	8.05-7.65 pm	7.05
Austria	28.37-28.62	28.40-28.45	20-10gro pm	6.33	50-40 pm	6.33
Switz.	3.49½-3.54½	3.49¾-3.50¾	3¾-2¾c pm	11.13	9¾-8¾ pm	10.56

Belgium rate is for convertible francs. Financial franc 62.45-62.55. Six-month forward dollar 1.65-1.55c pm; 12-month 2.60-2.50c pm.

THE DOLLAR SPOT AND FORWARD

April 25	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	2.0400-2.0635	2.0410-2.0420	0.45-0.35c pm	2.35	0.88-0.78 pm	1.62
Ireland†	2.0185-2.0210	2.0165-2.0195	0.93-0.78c pm	4.93	2.15-2.00 pm	4.11
Canada†	87.72-87.76	87.73-87.76	0.10-0.07c pm	1.16	0.10-0.07 pm	0.39
Nethlnd.	2.0500-2.0542	2.0500-2.0520	0.62-0.52c pm	3.33	1.75-1.65 pm	[illegible]
Belgium	30.04-30.08½	30.05-30.06½	7½-6½c pm	2.79	23-21 pm	[illegible]
Denmark	5.2740-5.2795	5.2780-5.2795	0.55-0.05 ore pm	0.68	0.40pm-0.1dis	0.11
W. Ger.	1.8926-1.8940	1.8932-1.8940	0.75-0.65 pf pm	4.44	2.38-2.28 pm	4.92
Portugal	48.85-48.95	48.85-48.95	33-48c dis	−9.94	90-140 dis	−9.41
Spain	67.77-67.85	67.77-67.81	30-40c dis	−6.20	75-85 dis	−4.72
Italy	842.25-843.30	842.25-843.00	0.50-1.00lire dis	−0.11	2.25-3.25dis	−0.13
Norway	5.1560-5.1595	5.1575-5.1585	0.80-0.30ore pm	1.28	1.90-1.40 pm	1.28
France	4.3510-4.3535	4.3510-4.3525	0.87-0.77c pm	2.26	2.50-2.30 pm	2.21
Sweden	4.3925-4.3965	4.3980-4.3990	0.45-0.25ore pm	0.95	1.40-1.20 pm	1.18
Japan	218.10-218.50	218.10-218.30	1.10-1.00y pm	5.77	3.00-2.90 pm	5.40
Austria	13.898-13.919	13.914-13.919	5.75-5.00gro pm	4.63	18.0-16.0 pm	4.89
Switz.	1.7132-1.7150	1.7135-1.7145	1.20-1.10c pm	8.05	3.80-3.70 pm	8.75

† UK, Ireland and Canada are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

CURRENCY RATES

April 24	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	12	0.617213	0.645505
U.S. $	9½	1.27615	1.33471
Canadian $	11¼	1.45481	1.52397
Austria Sch.	3¾	17.7508	18.5725
Belgian F.	6	38.3802	40.1514
Danish K.	8	6.74446	7.05328
D mark	4	2.41869	2.52981
Guilder	6½	2.62185	2.74216
French Fr.	9½	5.56019	5.81467
Lira	10½	1078.35	1127.83
Yen	4¼	278.711	290.860
Nrwgn. K.	7	6.56962	6.87043
Spanish Pes.	8	85.6200	90.5868
Swedish Kr.	6½	5.60204	5.86005
Swiss Fr.	1	2.19166	2.29223

CURRENCY MOVEMENTS

Apr. 25	Bank of England Index	Morgan Guaranty changes %
Sterling	66.1	−38.4
U.S. dollar	85.9	−8.1
Canadian dollar	83.2	−14.7
Austrian schilling	145.5	+18.9
Belgian franc	113.8	+14.0
Danish kroner	117.1	+6.1
Deutsche Mark	148.6	+41.5
Swiss franc	193.8	+80.6
Guilder	124.1	+19.9
French franc	99.0	−6.5
Lira	54.6	−48.7
Yen	132.6	+31.4

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

OTHER MARKETS

Apr. 25	£	$		£ Note Rates
Argentina Peso	2443-2463	1196-1206	Austria	28-29
Australia Dollar	1.8490-1.8530	0.9050-0.9070	Belgium	62.30-63.30
Brazil Cruzeiro	48.07-49.07	23.53-24.03	Denmark	10.78-10.88
Finland Markka	8.20-8.22	4.0025-4.0045	France	8.85-8.95
Greek Drachma	75.791-77.627	37.107-38.006	Germany	3.84-3.94
Hong Kong Dollar	10.571-10.598	5.1700-5.1800	Italy	1,710-1,760
Iran Rial	144-159	72-75	Japan	445-455
Kuwait Dinar (KD)	0.565-0.575	0.2781-0.2782	Netherlands	4.15-4.25
Luxembourg Frc.	61.35-61.45	30.05-30.07	Norway	10.55-10.62
Malaysia Dollar	4.54-4.5515	2.2220-2.2240	Portugal	97-102
New Zealand Dlr.	1.9550-1.9590	0.9562-0.9592	Spain	137½-141½
Saudi Arab. Riyal	6.88-6.98	3.3788-3.3795	Switzerland	3.45-3.55
Singapore Dollar	4.4975-4.5065	2.2010-2.2020	United States	2.04½-2.06½
Sth. African Rand	1.7350-1.7450	0.8495-0.8545	Yugoslavia	42½-44½

Rate given for Argentina is free rate.

EXCHANGE CROSS RATES

Apr. 25	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'r	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.042	3.888	445.5	8.885	3.503	4.195	1720.	2.328	62.40
U.S. Dollar	0.490	1.	1.894	218.2	4.352	1.716	2.055	842.3	1.140	30.08
Deutschemark	0.259	0.528	1.	115.2	2.297	0.906	1.085	444.6	0.602	15.58
Japanese Yen 1,000	2.245	4.582	8.681	1000.	19.94	7.862	9.416	3860.	5.226	137.8
French Franc 10	1.125	2.298	4.353	501.4	10.	3.942	4.721	1935.	2.620	69.11
Swiss Franc	0.285	0.583	1.104	127.2	2.537	1.	1.198	490.9	0.665	17.53
Dutch Guilder	0.238	0.487	0.922	106.2	2.118	0.835	1.	409.9	0.555	14.64
Italian Lira 1,000	0.582	1.187	2.249	259.1	5.167	2.037	2.440	1000.	1.354	35.71
Canadian Dollar	0.430	0.877	1.661	191.4	3.817	1.505	1.802	738.8	1.	26.37
Belgian Franc 100	1.629	3.325	6.299	725.8	14.47	5.704	6.832	2800.	3.792	100.

EURO-CURRENCY INTEREST RATES

The following nominal rates were quoted for London dollar certificates of deposit: one month 10.15-10.25 per cent; three months 10.25-10.35 per cent; six months 10.50-10.60 per cent; one year 10.40-10.50 per cent.

Apr. 25	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
Short term	12⅛-12⅜	10-10¼	9½-10½	6¼-6½	¼-¾	4½-5¼	7¼-7¾	13½-14½	—	2⅞-5⅛
7 day's notice	12⅜-12⅝	10⅛-10⅜	9½-10½	6-6¼	½-¾	5-5⅛	7¼-7½	10½-11½	10⅛-10¼	5¾-6⅛
Month	12⅛-12⅜	9⅞-10⅛	10⅛-10⅝	6⅝-6⅞	1⅛-1¼	5⅛-5¼	7½-7⅞	11-12	9⅞-10⅛	4¾-5⅛
Three months	11⅞-12	10⅛-10½	10⅜-11	7-7¼	1⅜-1⅝	5⅜-5½	8⅛-8⅜	11½-12½	10½-10⅝	4⅞-5¼
Six months	11⅞-12	10⅜-10¾	10½-10⅞	7¼-7½	2¼-2⅜	5⅝-5⅞	8½-9	12-13	10⅝-10¾	5⅛-5½
One year	11⅛-11¼	11⅛-11⅜	10⅜-10¾	7½-7¾	2⅛-2⅜	6⅛-6¼	9⅛-9⅜	12¼-13¼	10⅝-10⅞	5⅝-6⅛

Long-term Eurodollar deposits: Two years 10⅜-10⅝ per cent; three years 10⅜-10⅝ per cent; four years 10-10⅛ per cent; five years 9⅞-10⅛ per cent nominal closing rates. Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two-day call for guilders and Swiss francs. Asian rates are closing rates in Singapore.

INTERNATIONAL MONEY MARKET

Dutch conditions to tighten

Uncertainty over the direction of Dutch interest rates has led to a decline of domestic bond prices recently, but conditions in the money market may lead to an upward trend in rates over the next few weeks. Credit conditions are expected to tighten, following an easing of the money market shortage to Fl 1.6m from Fl 2.4bn in the week ended April 23.

The payment of tax to the Dutch Treasury is likely to create tighter conditions once again in coming weeks, with the payment of gas royalties causing further credit problems in the latter half of May. Government disbursements early next month are expected to total about Fl 1.5bn, but value added tax payments should amount to Fl 2.5bn over the same period, leaving a shortfall of around Fl 1bn.

Call money rose to 6⅜-6⅝ per cent from 6⅛-6⅜ per cent in Amsterdam yesterday, and one-month to 7-7½ per cent from 6⅞-7⅛ per cent. Three-month was quoted at 7⅛-7⅜ per cent, compared with 7⅛-7¼ per cent, and six-month was unchanged at 7¼-7½ per cent.

PARIS—Money market rates were all unchanged once again, with day-to-day funds at 6⅞ per cent; one-month 6⅞-6⅞ per cent; three-month 6⅞-7⅛ per cent; six-month 7⅛-7⅜ per cent; and 12-month 7⅞-7⅞ per cent.

FRANKFURT — Call money was steady at 5.10-5.20 per cent, but period rates were firmer. One-month was quoted at 5.40-5.50 per cent, compared with 5.30-5.50 per cent; three-month 5.65-5.75 per cent, compared with 5.50-5.70 per cent; six-month 6.00-6.20 per cent, compared with 5.65-5.85 per cent; and 12-month 6.30-6.50 per cent, compared with 6.00-6.10 per cent.

BRUSSELS—One-month money was 7⅛-7⅜ per cent, compared with 7⅛-7⅜ per cent previously, while three-month was unchanged at 7⅞-7⅞ per cent; six-month unchanged at 8⅛-8⅜ per cent; and 12-month 8⅛-8⅜ per cent, compared with 8⅛-8⅜ per cent.

HONG KONG—The money market was tight in the morning and easy in the afternoon, with call money at 13½ per cent and overnight 13 per cent.

GOLD

Slight rise

Gold traded very quietly in the London bullion market yesterday and closed at \$242½-243, a rise of \$1½ an ounce. Most of the movement came late in the day after the opening of New York, with little interest at this time in London. The Krugerrand's premium over its gold content narrowed to 6.03 per cent from 7.51 per cent for domestic delivery, but widened to 3.25 per cent from 2.74 per cent in international dealings.

In Paris the 12½ kilo bar was fixed at Fr 34,400 per kilo (\$245.74 per ounce) compared with Fr 34,200 (\$244.46) in the morning and Fr 34,000 (\$242.71) on Tuesday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 14,725 per kilo (\$241.97 per ounce) against DM 14,670 (\$240.75) previously.

	Apr. 25	Apr. 24
Gold Bullion (fine ounce)		
Close	\$242½-243 (£118.6-119)	\$241-241½ (£116.6-116.9)
Opening	\$241½-242¼ (£117.5-18.1)	\$240-240½ (£116-116.5)
Morning fixing	\$241.50 (£117.478)	\$240.0 (£116.110)
Afternoon fixing	\$241.80 (£117.894)	\$239.70 (£115.881)
Gold Coins, domestically		
Krugerrand	\$256¼-258¼ (£125½-126½)	\$257½-261½ (£124½-126½)
New Sovereigns	\$64½-66½ (£31¾-32¾)	\$65-67 (£31½-32½)
Old Sovereigns	\$75-77 (£36¾-57¾)	\$77¼-79¼ (£37½-38½)
Gold Coins, internationally		
Krugerrand	\$249½-251½ (£122-123)	\$247-249 (£119½-120½)
New Sovereigns	\$62¾-63¾ (£30½-31½)	\$62-64 (£30-31)
Old Sovereigns	\$78½-80½ (£38½-39½)	\$77¼-79¼ (£37½-38½)
\$20 Eagles	\$351-354	\$348-353
\$10 Eagles	\$191-196	\$191-196
\$5 Eagles	\$128-133	\$127½-132½

UK MONEY MARKET

Exceptional assistance

Bank of England Minimum Lending Rate 12 per cent (since April 5, 1979)

Day-to-day credit was in short supply in the London money market yesterday, and the authorities gave an exceptionally large amount of assistance by buying a small number of Treasury bills from the discount houses and a small quantity of local authority bills. A small amount of eligible bank bills were also purchased for resale to the market at a fixed future date. The assistance was completed by extremely large lending, overnight to seven or eight houses, at Minimum Lending Rate of 12 per cent.

There was a moderate fall in the note circulation, but this was outweighed by repayment of the small amount lent to the houses on Tuesday, a moderate net take-up of Treasury bills, a small take-up of local authority bills, and a fairly large excess of revenue payments to the Exchequer over Government disbursements.

Discount houses paid 12 per cent for secured call loans at the start, and closing balances were taken at 11½-12 per cent.

In the interbank market overnight loans opened at 12½-12¾ per cent, eased to 12-12½ per cent by late morning, and fell to 11¾-12 per cent in the afternoon, before closing at 13-14 per cent.

Rates in the table below are nominal in some cases.

LONDON MONEY RATES

Apr. 25 1979	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposit	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	11¾-14	—	—	—	12⅜	11½-12	—	—	—
2 days notice	—	—	12-12¼	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	12⅜-12½	11⅞-12	—	—	—
7 days notice	—	12-12¼	12⅛-12¼	—	12½	12⅝	11¾	—	—	—
One month	12⅛-11⅞	12-12⅛	12-12 3/16	12-12⅝	12½	—	11¼-11⅝	11⅜	11 13/16-12	12¼
Two months	11 11/16-11¾	11⅞-12	—	11⅝-12	12⅝	12¼	11¼-11½	11½	11¾	12⅛
Three months	11 9/16-11½	11 13/16-11 15/16	11⅞	11⅝-11¾	12¼	—	—	11⅝	11½-11⅝	12
Six months	11⅜-11¼	11 11/16-11⅝	11⅜-11⅝	10¾-11⅛	12	—	—	—	10 15/16	11¾
Nine months	11 1/16-12	11¼-11 7/16	—	11⅛-11 5/16	11¾	—	—	—	—	—
One year	11 1/16-10⅞	11 1/16-11⅝	11¼	11⅛-11⅜	11⅝	—	—	—	—	—
Two years	—	—	11¼-11⅝	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days' fixed. *Long-term local authority mortgage rates nominally three years 11⅝-11¾ per cent; four years 11¾-11⅞ per cent; five years 11⅞-12 per cent. ♦ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 11¼ per cent; four-month trade bills 12 per cent.

Approximate selling rates for one-month Treasury bills 11 7/32 per cent: two-month 11¾ per cent; three-month 11 23/32-11 11/32 per cent. Approximate selling rate for one-month bank bills 11 13/16-11⅞ per cent; two-month 11⅝ per cent; and three-month 11 11/16 per cent; one-month trade bills 12¼ per cent; two-month 12 per cent; and three-month 11⅞ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 13 per cent from April 1, 1979. Clearing Bank Deposit Rates for small sums at seven days' notice 9-9½ per cent. Clearing Bank Rates for lending 12 per cent. Treasury Bills: Average tender rates of discount 11.4425 percent.

MONEY RATES

NEW YORK	
Prime Rate	11.25-11.75
Fed Funds	10.3125
Treasury Bills (13-week)	9.20
Treasury Bills (26-week)	9.30
GERMANY	
Discount Rate	4
Overnight Rate	5.15
One month	5.45
Three months	5.70
Six months	6.10
FRANCE	
Discount Rate	9.5
Overnight Rate	6.75
One month	6.8125
Three months	7
Six months	7.3125
JAPAN	
Discount Rate	4.25
Call (Unconditional)	5.125
Bills Discount (three-mth.)	5.625

TRANS UNION CORPORATION

The following is an extract from the letter circulated to Shareholders in the Annual Report for 1978:

Earnings from our continuing lines of business rose from \$4.00 per share in 1977 to \$4.52 in 1978, an increase of 13%. Return on equity from these continuing operations rose from the already high level of 18.3% in 1977 to 19.4% in 1978.

These results prompted a 10% increase in our quarterly dividend and made 1978 the 15th consecutive year in which the dividend has been raised. Increases during that period have averaged over 8% per year, compounded. The year 1978 was the 65th consecutive year in which a dividend was paid.

The above earnings figures do not include the results of the non-chartering portion of our shipping operations. As previously announced, that part of our Company will be spun off to our shareholders in the next few months and will no longer be a part of Trans Union Corporation. When results from such discontinued operations are included for both 1977 and 1978, our earnings per share show a one percent decrease from \$4.29 to \$4.25, respectively.

All of the figures above reflect the restatement of prior years' earnings that was required by certain pooled acquisitions and recent changes in the accounting rules promulgated by the Financial Accounting Standards Board.

Activity in rail car leasing was very strong. Orders for 6,410 new cars were received, the second highest order level in history. Some of these will be supplied by other manufacturers because they are not tank cars. Most are, however, and this will keep our car building plants in the U.S., Canada and the United Kingdom operating at capacity throughout most of 1979. In 1978, we added 2,737 new cars to our leased fleet while utilisation of the existing fleet exceeded 97%.

Car repair costs have risen 152% in the past five years, creating an additional \$21 million in expenses for 1978 as compared with 1973. While inflation contributed to this extraordinary climb, two other factors have been more significant. One was the inspection programme mandated four years ago by the Federal Railroad Administration. The other was a sharp rise in the charges made by the railroads for the "running" repairs they perform on our cars. The impact of these two causes should be materially less in future years.

During this recent period of unusually escalating repair costs, increases in earnings of the rail car group have been strongly aided by the very good performances of subsidiaries which are engaged in related activities, such as rail grinding, ballast cleaning, contract car repairing and tank car lining. The year 1978 was also helped by the fact that we sold more cars than we normally do and by the acquisition of Atlas Bolt & Screw. Atlas not only provided additional income from its Car Division, which manufactures highly specialised rail cars, but also brought us a fastener company with a valuable line of proprietary products.

Pretax income from all of our other leasing, rental and service operations rose 32% in 1978. The major contributor to this excellent result was the income from the rental of electronic test equipment which almost doubled. Another factor was the profitable sale of certain cranes that we had on lease to a construction company in the Middle East.

Overseas marketing operations enjoyed a 62% gain in pretax profits. This fine showing was attained even while making the many changes in structure and personnel that were necessary to merge our two international sales groups. Now that this has been satisfactorily accomplished, they are fully prepared for the growth and expansion expected in the geographic areas they serve.

Our fastener divisions were also extensively reorganised and streamlined during 1978, and the resulting organisation produced substantially higher profits in the fourth quarter of 1978 than in the same period of 1977. Earnings of the group were further improved by the previously mentioned purchase of Atlas. The proprietary fasteners manufactured by its Bolt & Screw Division are used very widely in metal buildings. Our forging division reported 24% higher earnings and the successful introduction of two new products.

Income from Ecodyne, our water and waste treating company, declined 23%, with higher profits from some of the operations more than offset by a substantial loss from cooling products. Rochester Instrument Systems, acquired in January 1978, produces specialised warning and control devices, some of which are used by Ecodyne divisions. Rochester's 1978 earnings were over 50% higher than those of 1977. Graver water treatment group activities also reported record high results, up some 30% over the previous year.

The Information Services group turned in another record year of profits, the fifth in a row. It broadened its sphere of activities in 1978 by the acquisition of Medical Computer Systems, Inc., a company engaged in furnishing computer services to medical clinics and medical schools. A \$1.7 million programme is now under way to increase the quality and scope of the services offered by that company. Earnings from our credit services rose 34% over 1977, and all of the credit reporting activities were organised under one entity to increase their efficiency even further.

Pretax income from real estate operations rose 23% and reached \$12.4 million in 1978. Approximately \$5.8 million of this amount resulted from the sale of our entire Denver condominium project in the first quarter of that year. We are continuing development of our one remaining condominium project near Chicago. Virtually all of the raw land we acquired for resale has now been sold on various types of contracts. Under the terms of such sales, the profits therefrom will be realised over a period of time, probably from three to six years.

Our ship chartering business, whose results are now combined with our general leasing operations, operated at a break-even level in 1978 in spite of the depressed state of the shipping industry and the fact that we had two ships which were not yet on a term charter. Our other shipping activities, primarily the LASH operations, although profitable in the four preceding years, were handicapped by the depressed industry conditions and reported a loss of approximately \$3.2 million in 1978. This result appears on one line in the income statement as "Income from Discontinued Operations." These operations will be placed in a separate corporation and the stock thereof distributed to our shareholders in a tax free spin-off.

Each of our shareholders will then be free to sell his investment in that aspect of shipping or to continue it, as he sees fit, without disturbing his investment in other activities of Trans Union Corporation. Before such stock of the spun off company is distributed, each of our shareholders will receive a prospectus which will contain a complete description of the new company, including its financial history for the past five years.

Inflation, that "hidden tax" which falls most heavily on those at the bottom of the economic scale, has now been recognised as the country's most serious problem. Your Company has two characteristics that are important protections in an inflationary period.

First, we own about \$1.1 billion worth of long-lived assets which we lease to others. The replacement value of these assets is constantly being increased by the pressures of inflation, and the rents received for their use, therefore, also tend to move upward. This provides our shareholders with a valuable hedge against inflation.

Second, we borrow about 75% of the cost of these leased assets, and this provides another hedge against inflation. The borrowed funds will be repaid in dollars that have been made cheaper by inflation, and this burden is reflected by the lender in the interest rate charged to us. It can, therefore, be said that Trans Union's profit margins fully reflect the eroding effects of inflation to the extent of that portion of its fleets financed by borrowed capital. The real burden to shareholders of replacing such earning assets in an inflationary environment is also reduced proportionately.

A "voluntary" programme of wage and price guidelines is presently in effect. While we are still analysing the position of the Company in relation to the guidelines, we do not expect them to have a material impact on our operations or results.

In arriving at our pretax earnings of the year, we were required to deduct \$11 million in deferred taxes. These hypothetical taxes may never be paid at all, but, even if we assume the worst situation, they will not be paid for 15 years or more. The logical way to handle such a situation would be to discount the deferred tax liability for the 15-year waiting period. By forcing us to deduct the full amount now, the accounting authorities are saying that a dollar due in 15 years is the same as a dollar due today, an obvious absurdity.

What is even more incomprehensible is their position that if the deferred taxes were a clear-cut liability, say a non-interest bearing note or bond, we could properly discount it. In essence, if we are certain that we will have to pay the taxes in 15 years, we can discount them to a lower present value now, but if we may never have to pay such taxes, then we must deduct the full amount from our income! The authorities justify such a nonsensical approach by saying that deferred taxes are not a "liability", but rather a "deferred credit"—as though economic reality is determined by nomenclature. It is important that our shareholders understand this anomaly, because it produces an annual understatement of our true economic income.

In August 1978, Bruce S. Chelberg was named President and Chief Operating Officer of the Company. J. W. Van Gorkom became Chairman of the Board and continues as Chief Executive Officer. This move recognises that the operations of the Corporation have become too large and complex to be properly managed by a single top officer. It also prepares the Company for orderly succession when Mr. Van Gorkom reaches age 65 in 1982.

We have mentioned above the creation of a new shipping company whose shares will be distributed to our shareholders. Mr. Niels W. Johnsen will become the chief executive officer and a director of that company. He will, therefore, not stand for re-election to the board of Trans Union Corporation at the shareholders' meeting in April. In his place we will be nominating another very capable executive, Mr. Graham J. Morgan, the chairman and chief executive of United States Gypsum Company.

FINANCIAL DATA

	1978	1977	1976	1975	1974
	(dollars in thousands—prior years restated)				
Operating Results					
Revenues from Sales and Services	\$772,706	\$730,264	\$630,271	\$525,587	\$452,277
Operating Income	130,093	121,038	101,669	92,715	89,206
Other Income	29,478	20,528	22,904	26,363	9,277
Interest Expense	(64,367)	(58,058)	(59,410)	(57,208)	(41,363)
Income Taxes — current	(24,980)	(14,460)	(10,020)	(9,920)	(15,630)
Income Taxes — deferred and investment tax credit	(16,430)	(21,030)	(17,910)	(16,180)	(9,890)
Income from Continuing Operations	53,794	48,018	37,233	35,770	31,600
Income (Loss) from Discontinued Operations, net of applicable income taxes	(3,250)	3,427	7,424	(17,873)	2,977
Net Income	50,544	51,445	44,657	17,897	34,577
Depreciation	54,194	49,091	43,952	39,487	32,321
Rail Car, Vessel and other Fixed Asset Disposals (at book value)	35,793	9,549	7,920	10,348	10,408
Total Cash Flow from Continuing Operations	159,191	126,638	106,027	100,428	83,509
Payment of Cash Dividends	24,002	20,719	18,370	16,363	15,055
Per Share Data					
Net Income (from Continuing Operations)	\$4.52	\$4.00	\$3.21	\$3.20	\$2.86
Cash Dividend	\$2.02	\$1.84	\$1.68	\$1.58	\$1.50
Balance Sheet (at year end)					
Assets other than Fixed Assets	525,672	478,617			
Rail Car Lease Fleet, less depreciation	728,352	662,458			
Vessel Charter Fleet, less depreciation	118,245	116,928			
Other Fixed Assets, less depreciation	150,414	128,105			
Total Assets	1,522,683	1,386,108			
Liabilities (other than borrowed debt)	170,589	152,921			
Borrowed Debt	788,825	703,941			
Deferred Taxes and Credits	240,311	224,840			
Stockholders' Equity	322,958	304,406			
Total Liabilities, Deferred Items and Stockholders' Equity	1,522,683	1,386,108			

Certain information relating to group companies and Directors' share dealings, required by The Stock Exchange in London to be made available, may be inspected during the next three weeks during normal business hours (Saturdays and public holidays excepted) at Kleinwort, Benson Limited, New Issue Department, 20 Fenchurch Street, London EC3P 3DB, from whom copies of the full Annual Report may be obtained.

EUROBONDS

The Association of International Bond Dealers Quotations and Yields appears monthly in the Financial Times.

It will be published in an eight-page format on the following dates in the remainder of 1979:

May	14
June	12
July	9
August	13
September	10
October	15
November	12
December	10

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NORTH AMERICAN NEWS

Nuclear accident raises dividend fear

BY STEWART FLEMING IN NEW YORK

THE BOARD of General Public Utilities, the company which owns the Three Mile Island nuclear plant that suffered the worst nuclear accident in U.S. history, meets today to decide what action to take on its dividend to shareholders.

The meeting takes place against a background of growing concern in the electric utility industry and in the U.S. bond markets about the implications of the accident for the finances of General Public Utilities and other electricity generating companies which operate nuclear facilities.

General Public Utilities is facing potentially devastating increases in costs as a result of the accident. The company's chairman, Mr. William G. Kuhns, has even suggested that the company could face bankruptcy if it is prevented from passing on the costs of the accident to customers in the form of higher power prices.

General Public Utilities is a holding company selling power in Pennsylvania and New Jersey. Its annual revenues in 1978 were $1.3bn and net profit was $183m. In common with the rest of the electricity utility industry, however, it is heavily burdened with debt. It carries around $2bn in long-term debt.

Mr. Kuhns has estimated that while the Three Mile Island facility has two of its nuclear generating plants out of action, the utility is facing a $8m per month bill for fixed costs and $24m per month for replacement electricity to supply its customers. This will fall by $14m once one of the plants is brought back into service.

Two key questions are the extent to which the company and its shareholders are expected to bear the brunt of these costs, and the extent to which they can be passed on

The utility industry is price-regulated, with commissioners in each state determining what the companies in the industry can earn on assets and what prices they can charge. Generally a 13 per cent return is accepted as reasonable.

A decision to place the financial burden of the accident on the company would, he has suggested, set a precedent which would raise the cost of raising debt finance in the bond markets for the industry as a whole by about 20 per cent. He estimated that if the utility industry continued to invest around $10bn a year in nuclear plants, and pay around $1bn a year in finance charges, the additional cost would be around $200m.

It is with these issues in mind that the General Public Utilities board must decide what action to take on the dividend.

Cutting the dividend might be viewed by regulators as indicating the company's willingness to share the burden of cost, although it would clearly have an adverse impact on the share price, which has already fallen by about one-third since the accident.

Getty Oil moves ahead sharply

LOS ANGELES — Trading in the first quarter at Getty Oil brought a gain of 42 per cent to $108.2m in net earnings, lifting per share income from 93 cents to $1.31. Sales moved up from $917.9m to $1.95bn.

The net income figure included a gain of $13.4m from the disposal of an office building in New York city.

Domestic net income for the quarter rose to $80.9m from $63.7m primarily due to uranium concentrate sales from mining and milling in Shirley Basin, Wyoming.

Higher prices for domestic crude oil and natural gas were more than offset by increased domestic exploration expenses.

First quarter net was reduced by $12m due to the write-off of the remaining net investment in two unproductive tracts, 544 and 587, in the Baltimore Canyon off the East Coast of the U.S.

Net income from foreign operations in the first quarter rose to $27.3m from $12.7m last year. The gains were due to increased production and higher prices from the British sector of the North Sea.

Reuter

Lockheed earnings stage first quarter recovery

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

LOCKHEED CORPORATION is negotiating further sales of 12 L-1011 TriStar airliners to a number of unnamed European buyers. The sales would be worth more than $400m.

If firm contracts are concluded, they will raise to 50 the number of undelivered TriStars on the group's Palmdale, California, production line.

The prospective orders are disclosed in the Lockheed Corporation's report on its financial results for the first three months of this year, ended April 1.

These show net earnings of $12.4m compared with $3.2m for the corresponding period last year, when the effects of a strike in the fourth quarter of 1977 were still being felt.

Fully diluted per share net earnings were 72 cents for the first quarter, against 13 cents for the comparable period in 1978.

Sales in the first quarter totalled just over $1bn, up from $703m a year ago.

Excluding the Rolls-Royce powered TriStar airliner programme, the gross profit was $66.9m compared with $49.0m in the corresponding period, a year ago.

A loss of $35.9m was recorded on the TriStar during the first three months, against $29.7m in the 1978 quarter.

This increased loss reflects the higher than anticipated costs of aircraft in production, resulting principally from increased costs during the acceleration in the rate of production, caused by a higher level of orders than expected, together with the costs of introducing the Dash 500 model TriStar.

Lockheed expects that these increased costs, attributable mainly to material and manpower shortages, will defer the point at which Tri-Star production is expected to reach break even on a current basis.

Brighter start for steel groups

By Our New York Correspondent

THE TWO leading American steel manufacturers, U.S. Steel and Bethlehem Steel have reported dramatic improvements in earnings in the first quarter of 1979. But the increases, while confirming the improved conditions in the industry, reflect recovery from the seriously depressed first quarter of 1978, when the industry suffered the adverse impact of the U.S. coal strike. The two companies are both expecting further improvements later in the year, but warn of rising costs.

Bethlehem Steel says that it may not be able to stay within the price guidelines of the Carter Administration's anti-inflation policy. Bethlehem reported that its first quarter net income rose from $1.1m a year ago to $59.2m. Sales revenue has increased from $1.4bn to $1.7bn.

The recovery of U.S. Steel even more marked. In the first quarter of 1978, the company suffered a loss of $58.7m, while in the latest quarter its reported earnings of $42m.

The Bethlehem and U.S. Steel results are in line with earlier reports by major steelmakers, including Republic Steel, which increased profits fourfold compared with the first quater of 1978. In comparison with the fourth quarter of 1978, however, the earnings of the major companies are mixed.

Bethlehem Steel's chairman, Mr. Lewis Foy, said that the company may seek relief from the voluntary price control guidelines if cost pressures continue.

In its quarterly statement, U.S. Steel disclosed that Mr. Edgar B. Speer, the chairman, was resigning due to poor health, and that Mr. David M. Roderick has been elected chairman and chief executive. Mr. William Roesch, who joined the company in early 1978, has been elected president and chief operating officer.

Polaroid sales short of target

BY JOHN WYLES IN NEW YORK

POLAROID, WHOSE investors have had a distinctly bumpy ride for the last ten weeks, has added to their anxieties by revealing that its film and camera sales were lower than expected in the first quarter and its inventory levels larger than planned.

Traditionally cautious, Polaroid's management opened up a little at the company's annual meeting in Massachusetts on Tuesday. Their remarks caused several Wall Street analysts to lower their earnings expectations for this year which, in turn, may leave Polaroid's share price at the same low levels at which it has been trading since late February.

The company's figures for the final quarter of 1978 then revealed falling profit margins and substantial losses on its Polavision instant movie camera system. Heavy selling in the last two months has depressed Polaroid's stock price from $50¼ to the $33-35 range, reflecting doubts about its growth prospects.

Pessimism deepened last Friday with the publication of first quarter figures revealing an increase in earnings per share from 44 cents to 52 cents on a 10 per cent increase in sales. However, last year's first quarter was badly hit by snowfalls in the Boston area which disrupted production. Analysts claimed yesterday that a true comparison would be with 1977's 43 cents per share first quarter earnings, which indicates only a modest earnings improvement over a two-year period.

In the event, Polaroid's first quarter has been received with disappointment and on Tuesday the company's management conceded that sales of film and cameras were "below the pattern our usage studies had led us to expect." In fact, virtually all of the company's sales gain came from abroad which partially explains the climb in Polaroid's inventories from $407m to $512m. Mr. William J. McCune, the company's president, said that the inventory build-up was receiving "a great deal of management attention."

Polavision appears to be a continuing problem for Polaroid. Retailers report some consumer dissatisfaction with picture quality, and, in the age of videocassettes, dissatisfaction with its lack of sound. On Tuesday Polaroid did reveal a prototype cassettes capable of reproducing sound as well as pictures, but offered no clue as to when it would be marketed.

Optimism at Goodyear

A SIGNIFICANT upturn is reported in the first quarter by Goodyear Tyre and Rubber, which turned in net earnings 40 per cent higher at $51.4m. Earnings per share increased from 51 cents to 71 cents. At $2.01bn, sales were 21 per cent higher.

The Board said it is optimistic about the earnings improvement, despite a loss by its foreign operations in the first quarter.

Although the foreign operations showed a sales gain in the quarter, the division reported a $1.6m loss due to foreign currency translation losses and a $5.8m provision for closing costs for a Glasgow, Scotland, plant, which will be phased out in May.

Goodyear also said it had substantial losses in Britain, which includes the Scottish operations.

Reuter

Uniroyal to buy European stake

BY OUR NEW YORK STAFF

UNIROYAL of the U.S. will be taking a minority stake in Continental Gummi following the agreement to sell its European tyre businesses to the West German company.

The sale, which is understood to be worth around $100m, should be completed by late summer. Mr. Joseph Flannery, Uniroyal's president and chief operating officer, stressed that the deal announced last week with Conti-Gummi meant that Uniroyal's brand name would continue to be manufactured and sold in Europe.

Speaking just before he left for Europe for further negotiations, Mr. Flannery acknowledged that the tyre business had not originally featured on the list of businesses which Uniroyal had decided to sell off more than three years ago. But competition had proved increasingly severe, and after discussing a possible joint venture with Conti-Gummi, the company finally decided to let them go. The extent of Uniroyal's proposed stake in Conti-Gummi could not yet be disclosed.

He added that Uniroyal had no intention of selling off any of its other European assets, which include the manufacture of industrial rubber products, power transmission products, plastics, chemicals and graphic arts materials. Uniroyal's remaining production units are based in Scotland and Manchester in the UK, and in West Germany, Spain and Italy.

"We are going to pursue these businesses vigorously and they are the core to our future," added Mr. Flannery.

The deal with Conti-Gummi underlines Uniroyal's determination to reduce its dependence on tyre manufacturing, which last year accounted for 57.6 per cent of its total sales and 44.9 per cent of its operating profits. The company has

Airline bid opposed

WASHINGTON—The Transportation Department said yesterday that it opposes Eastern Airlines' bid to take control of National Airlines.

In a brief filed with the Civil Aeronautics Board, which must rule on the merger, the Department said that a combination of the two carriers would significantly reduce competition.

The Department's acting general counsel, John Wofford, said in the brief that the benefits which might result from the acquisition would mainly flow to the companies and not to the public.

Reuter

Merrill Lynch property merger

NEW YORK—Merrill Lynch and Van Schaack, a multi-service real estate company, have agreed in principle for a merger of Van Schaack with a subsidiary of Merrill Lynch Realty Associates.

Under the proposed terms, Van Schaack stockholders will receive $14.50 in cash for each Van Schaack share.

The merger agreement is subject to approval of a definitive agreement by the directors of the two companies and in the case of Van Schaack, which is based in Denver, Colorado, by the holders of 66 2/3 per cent of its common stock.

Both companies hope to reach a definitive agreement as soon as possible.

Mr. Grant T. Alley, president and chief executive of Van Schaack, will remain in his current position and assume the additional role of vice-chairman of Merrill Lynch Realty Associates, the residential real estate subsidiary of Merrill Lynch.

Van Schaack is primarily engaged in real estate brokerage and other related activities. In 1978 the company reported revenues of nearly $30m and net income of $2.4m

At year-end, Van Schaack had 1.3m shares outstanding, making the transaction worth $19.7m.

AP-DJ

EUROBONDS

Norway arranges $150m issue

BY FRANCIS GHILES

THE KINGDOM OF NORWAY is arranging a $150m bond which carries an indicated coupon of 9¼ per cent and a bullet maturity of five years. Lead manager of this issue, which is pre-underwritten and is expected to be priced at 100¼, is Deutsche Bank.

Taking into account the selling group commission, which is 1¼ per cent, the yield to the investor stands at 9.76 per cent. This is exactly in line with yields on seasoned Kingdom of Norway issues. Although the terms of this new issue are on the tight side, the shortage of good quality paper, particularly in the five-year maturity bracket, should ensure a friendly reception for this bond, analysts believe.

The $75m 20-year issue for Hydro Quebec, which carries a coupon of 10 per cent, has been priced at 99, to yield 10.12 per cent by the lead manager, Credit Suisse First Boston.

In the secondary dollar bond market, trading was quiet with few changes in prices.

In the Canadian dollar sector, Avco is offering $25m worth of bonds with a bullet maturity of seven years and an indicated coupon of 10½ per cent. Lead manager is Kidder Peabody. The same lead manager is currently arranging a $40m issue in U.S. dollars for the same borrower.

Very little activity is reported in the Canadian dollar market by most dealers, with prices virtually unchanged. The C$50m five-year bullet issue for First Canadian Investments, which is being arranged by UBS (Securities) and carries a coupon of 10 per cent, has been priced at 100¼, as initially indicated.

The C$10m ten-year bullet issue for Bank of British Columbia has been priced at par by the lead manager, Wood Gundy.

The Deutsche Mark sector had another dull day, with a number of prices drifting down by about ¼ of a point. The coupon on the DM 100m offering for the Council of Europe through BHF Bank has been increased from 7¼ per cent to 7½ per cent. This bond is expected to be priced at par.

The DM 200m bond for Tokyo Electric has been priced by the lead manager, Westdeutsche Landesbank, at 99½. Other final terms include a coupon of 6 per cent and a bullet maturity of six years.

The same bank is expected to announce a DM 100m convertible for Seiyu Stores today. The indicated coupon will be 5½ per cent, the highest paid for a long time by a Japanese borrower in this sector.

In the Swiss franc sector, the public bond sector was reopened by the French state railways, SNCF, with a SwFr 100m 12-year issue carrying a coupon of 4½ per cent. The minimum average life of this bond, which will be priced at par, is 10 years. Lead manager is Sodltic.

In figures just released, the Organisation for Economic Co-operation and Development says that the volume of Eurobonds issued during the first quarter of this year amounted to $4.56bn, a rise of $1.50bn compared with equivalent figures for the last quarter of 1978. Dollar-denominated issues accounted for $2.55bn of the total, up from $869m for the previous quarter.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.

Closing prices on April [illegible]

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Bayer Int. F. XW 7¾ 89	200	83⅝	84⅛	0	−0½	9.84
CECA 9½ 84-99	50	95	96½	0	0	9.79
Canada 9 83	400	97⅞	98⅛	0	+0⅛	9.75
Canada 9¼ 98	350	95½	97	−0⅛	−0⅛	9.85
Comalco Inv. E. 10¼ 91	40	98½	99	0	0	10.42
Dow Chem. O/S 9¾ 94	200	97½	98	0	+0⅛	9.91
EIB 9⅜ 98	125	94⅝	95⅛	−0⅛	+0⅛	9.94
EIB 9¾ 88	150	99½	100	0	−0⅛	9.90
EIB 9⅞ 99	100	99⅝	100⅛	−0⅛	−0⅛	10.13
Export Dv. Cpn. 9.85 84	150	100½	101	0	0	9.57
Export Dv. Cpn. 9⅝ 84	100	97½	98	0	0	9.84
Eksportfinans 9 86	50	95	96½	0	−0⅛	9.72
Finland 9 88	100	95⅛	95⅝	0	−0⅛	10.00
Finland 9½ 86	100	97⅛	97⅝	−0⅛	−0⅛	9.98
GTE Fin. 9½ 84	50	98⅛	98⅝	0	0	9.92
Gould Int. Fin. 9⅝ 85	50	99½	100	0	+0⅛	9.79
Hospital O/S 9 83	25	97½	98	−0⅛	0	9.62
Hudson Bay Co. 10 94	50	100½	101	0	0	9.89
Itel Finance 9¾ 90	30	94⅛	94⅝	0	0	10.60
J. C. Penney 8½ 83	100	96⅛	96⅝	0	0	9.55
Manitoba 9½ 89	75	97¼	97¾	0	0	9.90
New Brunswick 9¾ 94	75	98	98½	0	0	9.97
Newfoundland 10 94	50	99½	100	0	+0⅛	10.03
Norsk Hydro 9⅛ 94	50	95½	95⅞	0	0	9.83
Norway 9⅜ 84	150	100	100½	−0⅛	−0⅛	9.91
Portland 10 84	50	97¼	97⅞	−0⅛	−0⅛	10.63
Redland Fin. XW 9½ 91	25	93¼	93¾	−0⅛	0	10.47
Sears Roebuck 9 82	150	98¼	98¾	0	−0⅛	9.61
Stockholm 9⅜ 94	50	99⅜	100⅛	+0⅛	+0⅛	9.97
UK 8⅞ 93	150	95½	96	−0⅛	−0⅛	9.65

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
American Ex. Int. 6½ 87	70	92¼	93⅛	0	−1	6.73
Argentina 6½ 88	150	93¼	93¾	−0⅛	−1⅛	7.49
Australia 6 88	250	95⅛	95⅞	−0¼	−1⅛	[illegible]
Austria 5½ 90	150	90	90½	−0¼	−1⅛	6.99
Banco Desarrollo 7¼ 88	100	96	96½	−0⅛	−1½	7.97
Bankamerica 5½ 90	150	91⅛	92⅛	−0⅛	−0⅞	6.77
Bq. Ext. Algerie 7¼ 85	100	†97⅛	97⅝	+0¼	0	7.74
Brazil 7¼ 87	150	†99	99½	−0⅛	−0⅛	7.37
CECA 6 88	150	93⅛	93⅞	−0⅛	−1½	6.95
Ch. Manhttn. O/S 6 93	100	93¾	94¼	−0⅞	−3½	[illegible]
Copenhagen City 6 90	75	91⅛	91⅞	−0⅛	−0⅛	7.10
Council of Europe 6¾	120	94½	95½	−0¼	−1⅛	7.02
[illegible]						

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]						

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]						

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]						

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
[illegible]						

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
[illegible]						

[illegible]

AMERICAN QUARTERLIES

AMERADA HESS

First quarter	1979 $	1978 $
Revenue	1.54bn	1.35bn
Net profits	115.63m	32.31m
Net per share	2.84	0.80

AMF

First quarter	1979 $	1978 $
Revenue	321.7m	289.0m
Net profits	10.6m	9.1m
Net per share	0.53	0.46

AMSTED INDUSTRIES

Second quarter	1979 $	1978 $
Revenue	207.4m	163.6m
Net profits	13.69m	7.93m
Net per share	1.27	0.74
Six months		
Revenue	413.9m	311.4m
Net profits	27.27m	19.03m
Net per share	2.88	1.89

AVNET

Third quarter	1979 $	1978 $
Revenue	259.7m	203.4m
Net profits	13.1m	9.77m
Net per share	0.84	0.63
Nine months		
Revenue	741.3m	587m
Net profits	35.3m	28m
Net per share	2.27	1.81

BEATRICE FOODS

Fourth quarter	1979 $	1978 $
Revenue	1.95bn	1.66bn
Net profits	59.6m	47.9m
Net per share	0.55	0.45
Year		
Revenue	7.47bn	6.51bn
Net profits	261m	225.95m
Net per share	2.51	2.30

BECTON DICKINSON

Second quarter	1979 $	1978
Revenue	203.6m	178.4m
Net profits	15.9m	14.3m
Net per share	0.77	0.70
Six months		
Revenue	386.2m	333.5m
Net profits	29.3m	26.5m
Net per share	1.43	1.29

BLUE BELL

Second quarter	1979 $	1978 $
Revenue	257.5m	231.8m
Net profits	18.15m	17.23m
Net per share	1.45	1.38
Six months		
Revenue	453.04m	404.1m
Net profits	26.73m	28.97m
Net per share	2.13	2.31

CAPITAL CITIES COMMUNICATIONS

First quarter	1979 $	1978 $
Revenue	89.8m	78.7m
Net profits	11.97m	10.71m
Net per share	0.87	0.75

CHROMALLOY AMERICAN

First quarter	1979 $	1978 $
Revenue	348.2m	294.4m
Net profits	10.8m	8.99m
Net per share	0.63	0.56

CINCINNATI MILACRON

First quarter	1979 $	1978 $
Revenue	172.4m	147.8m
Net profits	10.39m	6.79m
Net per share	1.38	0.92

CITIES SERVICE

First quarter	1979 $	1978 $
Revenue	1.46bn	1.19bn
Net profits	78.6m	55.3m
Net per share	2.83	2.00

COCA-COLA BOTTLING N.Y.

First quarter	1979 $	1978 $
Revenue	114.0m	83.4m
Net profits	1.64m	2.17m
Net per share	0.09	0.12

COLGATE-PALMOLIVE

First quarter	1979 $	1978 $
Revenue	1.16bn	1.03bn
Net profits	38.62m	35.03m
Net per share	0.47	0.44

COMBUSTION ENGINEERING

First quarter	1979 $	1978 $
Revenue	582.8m	481.9m
Net profits	18.1m	15m
Net per share	1.11	0.93

CONSOLIDATED FOODS

Third quarter	1979 $	1978 $
Revenue	1.22bn	930.2m
Net profits	24.24m	22.02m
Net per share	0.75	0.68
Nine months		
Revenue	3.42bn	2.48bn
Net profits	77.23m	69.87m
Net per share	2.39	2.15

CORROON AND BLACK

First quarter	1979 $	1978 $
Net profits	5.31m	4.72m
Net per share	0.75	0.67

DART INDUSTRIES

First quarter	1979 $	1978 $
Revenue	569.3m	408.1m
Net profits	34.26m	27.29m
Net per share	1.41	1.11

DENTSPLY INTERNATIONAL

First quarter	1979 $	1978 $
Revenue	53.72m	45.32m
Net profits	1.29m	†897,000
Net per share	0.29	†0.20

† Loss.

DUKE POWER

First quarter	1979 $	1978 $
Revenue	402.9m	371m
Net profits	68.2m	58.4m
Net per share	0.94	0.87

EL PASO

First quarter	1979 $	1978 $
Revenue	599.2m	442.0m
Net profits	30.71m	22.74m
Net per share	0.68	0.51

FIELDCREST MILLS

First quarter	1979 $	1978 $
Revenue	104.2m	95.8m
Net profits	4.58m	3.84m
Net per share	1.22	1.02

FRANK B. HALL

First quarter	1979 $	1978 $
Revenue	56.7m	43.9m
Net profits	6.81m	5.58m
Net per share	0.75	0.62

HARSCO

First quarter	1979 $	1978 $
Revenue	200.4m	181.4m
Net profits	9.23m	8.06m
Net per share	0.96	0.84

HUDSON'S BAY OIL AND GAS

First quarter	1979 $	1978 $
Net profits	31.2m	29.2m
Net per share	1.64	1.49

LEAR SIEGLER

Third quarter	1979 $	1978 $
Revenue	340.9m	280.5m
Net profits	16.40m	11.69m
Net per share	0.97	0.69
Nine months		
Revenue	961.4m	825.5m
Net profits	42.94m	30.72m
Net per share	2.54	1.82

LESSONA

First quarter	1979 $	1978 $
Revenue	34.8m	29.2m
Net profits	1.49m	765,000
Net per share	0.92	0.61

LOCKHEED

First quarter	1979 $	1978 $
Revenue	1.0bn	703.1m
Net profits	10.9m	1.7m
Net per share	0.72	0.13

MACMILLAN

First quarter	1979 $	1978 $
Revenue	117.6m	102.1m
Net profits	94,000	72,000
Net per share	nil	nil

MASCO

First quarter	1979 $	1978 $
Revenue	180.3m	133.8m
Net profits	18.71m	14.72m
Net per share	0.71	0.56

MILTON BRADLEY

First quarter	1979 $	1978 $
Revenue	61.7m	43.1m
Net profits	3.89m	2.05m
Net per share	0.60	0.32

MOORE McCORMACK RESOURCES

First quarter	1979 $	1978 $
Revenue	66.8m	51.7m
Net profits	5.00m	1.13m
Net per share	0.63	0.20

MOHASCO

First quarter	1979 $	1978 $
Revenue	170.5m	163.4m
Net profits	500,000	2.1m
Net per share	0.07	0.30

NATIONAL STEEL

First quarter	1979 $	1978 $
Revenue	1.1bn	846.3m
Net profits	20.7m	2.4m
Net per share	1.08	0.13

NATOMAS

First quarter	1979 $	1978 $
Revenue	119.5m	102.9m
Net profits	19.08m	17.18m
Net per share	1.91	1.85

NORTON SIMON

Third quarter	1979 $	1978 $
Revenue	864.4m	823.3m
Net profits	26.53m	25.28m
Net per share	0.52	0.48
Nine months		
Revenue	2.01bn	1.76bn
Net profits	80.14m	83.32m
Net per share	1.75	1.59

PANHANDLE EASTERN PIPELINE

First quarter	1979 $	1978 $
Revenue	487.1m	340.3m
Net profits	52.54m	35.09m
Net per share	2.88	1.99

PEABODY INTERNATIONAL

Second quarter	1979 $	1978 $
Revenue	140.7m	112.1m
Net profits	5.43m	4.68m
Net per share	0.60	0.52
Six months		
Revenue	271.0m	221.7m
Net profits	10.67m	9.33m
Net per share	1.18	1.04

PHILIP A. HUNT CHEMICAL

First quarter	1979 $	1978 $
Revenue	25m	20m
Net profits	1.81m	1.35m
Net per share	0.32	0.24

PHILLIPS PETROLEUM

First quarter	1979 $	1978 $
Revenue	1.99bn	1.74bn
Net profits	177.0m	170.8m
Net per share	1.15	1.11

PITTSTON

First quarter	1979 $	1978 $
Revenue	506.8m	317.4m
Net profits	27.01m	†20.23m
Net per share	0.72	†0.54

† Loss.

PUROLATOR

First quarter	1979 $	1978 $
Revenue	115.0m	94.1m
Net profits	4.31m	2.73m
Net per share	0.94	0.59

ANCE GROUP

First quarter	1979 $	1978 $
Revenue	326.1m	288.9m
Net profits	22.7m	18.4m
Net per share	2.31	2.13

REVLON

First quarter	1979 $	1978 $
Revenue	369.6m	306.7m
Net profits	33.5m	27.4m
Net per share	0.98	0.85

A. H. ROBINS

First quarter	1979 $	1978 $
Revenue	93.7m	89.4m
Net profits	8.68m	8.97m
Net per share	0.33	0.34

ROLLINS

Third quarter	1979 $	1978 $
Revenue	83.5m	68.9m
Net profits	6.45m	5.95m
Net per share	0.48	0.45
Nine months		
Revenue	247.2m	209.9m
Net profits	18.15m	16.46m
Net per share	1.35	1.23

SCHERING-PLOUGH

First quarter	1979 $	1978 $
Revenue	306.5m	269.8m
Net profits	61.22m	53.99m
Net per share	1.15	1.00

SEABOARD WORLD AIRLINES

First quarter	1979 $	1978 $
Revenue	48.5m	37.8m
Net profits	1.46m	2.43m
Net per share	0.21	0.36

SHERWIN-WILLIAMS

First quarter	1979 $	1978 $
Revenue	257.1m	231.9m
Net profits	853,000	†1.75m
Net per share	0.11	†0.38

† Loss.

SKAGGS COMPANIES

First quarter	1979 $	1978 $
Revenue	293.1m	231m
Net profits	4.86m	4.02m
Net per share	0.61	0.50

SOUTHERN RAILWAY

First quarter	1979 $	1978 $
Revenue	337.7m	279.7m
Net profits	35.54m	28.81m
Net per share	2.33	1.85

ST. JOE MINERALS

First quarter	1979 $	1978 $
Revenue	255.4m	153.3m
Net profits	18.19m	4.39m
Net per share	0.81	0.20

TAMPAX

First quarter	1979 $	1978 $
Revenue	53.5m	48.2m
Net profits	12.08m	10.35m
Net per share	1.07	0.92

THOMAS & BETTS

First quarter	1979 $	1978 $
Revenue	54.98m	48.60m
Net profits	7.69m	6.41m
Net per share	1.00	0.83

TIMES MIRROR

First quarter	1979 $	1978 $
Revenue	342.6m	305.0m
Net profits	28.29m	26.92m
Net per share	0.83	0.77

WINN-DIXIE STORES

Third quarter	1979 $	1978 $
Revenue	1.18bn	1.04bn
Net profits	23.62m	21.76m
Net per share	0.82	0.76
Nine months		
Revenue	3.77bn	3.39bn
Net profits	68.92m	59.14m
Net per share	2.42	2.09

Foreign link sought by Adolph Saurer

By John Wicks in Zurich

ADOLPH SAURER, the Swiss commercial vehicle and machinery group which made large operating losses last year, expects to conclude co-operation talks with a foreign automotive concern by this summer.

Talks with Fiat are said to have collapsed because the Italian group wanted control of Saurer, which hopes to find a specialist in the commercial vehicles sector to acquire a minority stake in its capital.

Saurer is currently negotiating with Daimler-Benz, although the Swiss company is also understood to be interested in the possibility of links with a non-European group.

Last year, the parent company reported net profits of a nominal SwFr 100,000, the same as 1977, after unspecified operating losses.

Group turnover dropped by 0.7 per cent to SwFr 468.4m ($272m), of which almost half was accounted for by commercial vehicles and a further 38 per cent by textile machinery. The new order total rose by just over 6 per cent to SwFr 497.2m.

The large-scale operating losses for 1978 reflect poor market conditions for both vehicles and textile machines. Losses arose primarily in the commercial vehicle sector, where Saurer was particularly hit by unsatisfactory export prices.

For the first quarter of 1979, however, consolidated sales rose by 20 per cent over the corresponding period of last year and group order value by 19 per cent.

Volkswagen ahead in first quarter

BY GUY HAWTIN IN FRANKFURT

VOLKSWAGEN, the West German car maker, has reported a hefty increase in profits for 1978 and—to judge by the first quarter performance—appears poised for yet another good year.

VW, the country's largest motor manufacturer, believes that only a major change in the political and economic situation could lead to a dampening down of the high level of domestic demand for the industry's products.

The group, which saw its share of the West German car market rise last year from 29.9 per cent to 30.8 per cent, registered a sales rise of 10.6 per cent which took turnover to DM 26.7bn ($14bn). Group net profits went up by 36.9 per cent to DM 574m.

Unit production, however, rose rather more slowly. It went up 6.9 per cent to 2.39m units. But deliveries in the first quarter of the current year totalled 630,000 units—a 13 per cent advance on the comparable period of 1978

On the financial front, performance has been equally good during the opening quarter of 1979. World sales advanced by DM 600m, or 8.6 per cent, to DM 7.4bn, while group net earnings have advanced by 7 per cent to DM 175m.

West German deliveries rose 9 per cent to 234,000 vehicles, while Brazil saw a 3 per cent decline to 105,000 units as a result of a strike in March. With capacity utilisation running at 90 per cent at VW and 85 per cent at its NSU-Audi subsidiary, the supply situation, although easier than in 1978, has not been completely relieved particularly for the more popular models.

Last year the main impetus for growth came from the home market, although overseas sales also rose strongly. Domestic sales went up by 15.6 per cent to DM 11.2bn, while overseas sales rose by a more modest 7.3 per cent to DM 15.5bn. As a result the proportion of group sales abroad declined from 1977's 59.8 per cent to 58 per cent.

In terms of unit sales, deliveries to the domestic market last year rose 1.6 per cent to 858,700 units, reflecting the pressure on the concern's production capacity. But European sales dropped 5.2 per cent to 414,150 units, partly owing to declines in demand from Scandinavia and Austria, but mainly as result of the price increases imposed by the falling value of the dollar.

In the U.S., where the group is producing the Rabbit, the American version of the Golf, the fall in dollar rates led to a drop of five per cent in deliveries to 256,000 cars last year.

This year things appear to be going better in the problem overseas areas. European units sales in the first quarter were up 22 per cent to 125,300 units, according to the chief executive, Herr Toni Schmuecker. In the U.S. they rose 49 per cent to 98,000 units.

Supreme takes stake in QBE Malaysia

By Wong Sulong in Kuala Lumpur

A MALAYSIAN incorporated company, QBE-Supreme Insurance Berhad has been formed to take over the Malaysian operations of the QBE Insurance Company of Australia, in compliance with the Government policy that foreign insurance companies should restructure their equity to take in Malaysian partners.

Under the deal, QBE will hold 60 per cent of the new company while the Malaysian plantation and housing group, Supreme Corporation ,will hold 40 per cent.

However, after five years, the equity ratio will be reversed in favour of Supreme Corporation, and this would be done either by the issue of new shares or by QBE selling part of its holding to Supreme.

The new insurance company, with a paid up capital of 5.5m ringgit, ($1.2m) will take over the six QBE offices in Malaysia.

QBE has been doing business in Malaysia for the past 70 years, and its gross annual premiums last year amounted to 26m ringgit, compared with 8m ringgit in 1974.

Meanwhile, the Malaysian American Assurance Company has reported a net profit of 212,000 ringgit for last year, compared with a loss of 113,000 ringgit for 1977.

The company said the reduction of first year business pressure (achieved by the slowing down of new life policies), better investment income and reduced management expenses contributed to better results.

Nedbank sees sound growth

BY JIM JONES IN JOHANNESBURG

NEDBANK, South Africa's fourth largest bank, has reported a 22 per cent disclosed profit improvement for the six months to March 31. After transfers to internal reserves the taxed profit was R21.04m ($24.84m) compared with R17.26m in the six months to end-March 1978 and R38.26m for the 12 months to September 30, 1978.

Dr. Frans Cronje, the chairman, is confident that the bank is set for a further period of sound growth. Over the six months to end-March group shareholders' funds rose to R212.7m from R197.9m at end-September 1978 and helped by this increase, Nedbank strengthened its capital position through a lowering of the ratio of deposits to own funds to 10.9 : 1 from an end-September ratio of 11.3 : 1. This compares with a legally permissible maximum ratio of 16.6 : 1.

This means that as the South African economy continued to improve there would be few limits on Nedbank's ability to take further deposits from the public and hence increase its business levels.

On disclosed first-half earnings per share of 23.4 cents, against 19.4 cents, an increased interim dividend of 8.5 cents, compared with 7 cents, has been declared. Last year, Nedbank reported second-half earnings of 23.2 cents and paid a final dividend of 14 cents.

CCF seeks to gain more shareholders

BY DAVID WHITE IN PARIS

CREDIT COMMERCIAL de France (CCF), the leading French commercial bank in the private sector, yesterday launched a big publicity campaign aimed at extending its share ownership.

The plan, announced at the bank's annual general meeting, offers facilities for clients to buy shares on the stock market as part of a savings scheme. It also provides as a privilege for shareholders a free life assurance plan linked to the outstanding amount in the client's account.

M. Jean-Maxime Leveque, CCF chairman, said the scheme was not linked to any specific plan to raise the bank's current capital of FFr 432m or about $100m. He said that the bank's 17,000 shareholders represented much too low a figure.

The unique plan has received the blessing of the French Stock Exchange Commission.

About 30 per cent of CCF's shares are in the hands of the general public. Although there are no holdings of over 5 per cent, most of the stock is divided among a small group of banking and financial institutions. CCF is quoted in London, Brussels and Antwerp as well as in Paris.

M. Leveque said he hoped the bank would be able to maintain a policy of regular dividend increases. The net dividend for last year is being raised to FFr 8.50 from FFr 8 on parent company net profits which increased to FFr 79m ($18.13m) from FFr 76.7m. Group net profit showed a larger improvement to FFr 101.2m from FFr 91.8m.

The results in the first quarter of this year were well up on comparable figures for last year, M. Leveque said.

In 1978, the level of credits rose by over 13 per cent and deposits by over 9 per cent. M. Leveque said the main increase was in sight deposits, a sign that the clientele was growing.

He said that plans to impose minimum ratios between banks' own resources and the volume of lending presented no problem for CCF. But he warned that the reserve requirements, being brought in over a three-year transitional period and setting flexible conditions, would not wholly replace the current system of curbs on credit growth.

He said that a ratio system on its own would favour para-banking institutions such as the State-directed Farmers' Mutual Bank, Credit Agricole, which has capital and reserves of some FFr 20bn.

If Credit Agricole and similar institutions were able to increase their lending to 20 times their own resources, as would happen if a 5 per cent ratio were the only criterion, then other banks "would be completely submerged in the tide."

He also said that special precautions would have to be taken for foreign banks. The reserve requirement scheme does not affect foreign banks which are subject to similar regulations in countres of ownership, but M. Leveque warned that this clause ran the risk of favouring the expansion of big international banks in France at the expense of their French counterparts.

M. Leveque, seen as the top spokesman of the non-State banking sector in France, had mixed comments on the report recently prepared for the Government by M. Jacques Mayoux, former head of Credit Agricole, on the reform of the banking sector and improvement of financial facilities for regional enterprise.

He welcomed recommendations for breaking down some of the fiscal privileges currently accorded to "mutualist" banking institutions, but criticised the failure of the report to deal with the problem for the banking sector of Credit Agricole's large accumulated wealth.

Return to expansion at South African retailer

BY OUR JOHANNESBURG CORRESPONDENT

CNA INVESTMENTS, the South African retail chain, is showing a return to growth after two years of stagnant turnover and narrowing profit margins. For the year to February 28, the group has reported a 5.4 per cent turnover increase to R64.7m ($76.6m), from R61.4m in 1977-78, and a 27 per cent increase in trading profit to R5.1m ($6m), from R4.01m.

Though the group's earnings per share advanced to 59.9 cents, from 39.1 cents, the total dividend payment has been increased only to 25 cents, from the 23 cents in 1978, which included a special 3 cent non-recurring interim payment.

According to Mr. Martin J. Lombard, the finance director, CNA is now running much more effectively.

Setron appoints advisers

BY GEORGIE LEE IN SINGAPORE

SETRON, the Singapore electronics concern, has appointed the merchant bankers, Jardine Fleming (Singapore), to advise the company on Haw Par Brothers International's offer to acquire its shares, which values Setron at about S$43m (U.S.$20m).

Haw Par said, separately, yesterday that the new Haw Par shares to be issued in connection with the offer have been underwritten for cash at S$1.60 per share, and that it has requested the Stock Exchange of Singapore to lift suspension on the trading of its shares.

Haw Par last week made an offer to acquire the entire issued capital of Setron, amounting to 17.85m shares of S$1 par each, on the basis of one Haw Par share plus 80 cents cash for each Setron share. At that time, it said that it would endeavour to arrange to have its shares underwritten for cash.

Setron is involved in the manufacture and distribution of television sets and other electronic goods in Singapore, Malaysia and Indonesia.

Besides distributing products under its own brand name, Setron is also the distributor for Sony Corporation of Japan in Singapore, Malaysia and Brunei, while in Indonesia it manufactures a wide range of electronic appliances under licence from Sanyo, of Japan.

Sharp advance forecast by L'Oreal

By Terry Dodsworth in Paris

L'OREAL, the French cosmetics group, is forecasting a healthy improvement in sales and profits for 1978 after a period of overseas expansion.

Turnover of the group will be up by almost 17 per cent to FFr 5.6bn ($1.3bn), while profits are expected to increase at a much faster rate of 50 per cent to FFr 210m.

Giving these forecasts, M. Francois Dalle, the chairman of L'Oreal, said that the internationalisation of the group would lead to greater decentralisation of activities, with overseas subsidiaries being given more autonomy.

On the pharmaceutical side of the business, for instance, the company was aiming to reduce its dependence on the French market from the present 44 per cent of sales to about 20 to 25 per cent in five years' time.

At the same time, M. Dalle promised a continuing effort to produce new, high-value added products. At present, the proportion of value-added amounts to FFr 2.5bn, about half of turnover. The sharp rise in profits is being recognised by a dividend increase to FFr 15 a share against 10.65 last year.

Expansion at Electrolux

By Fay Gjester in Oslo

ELKEM-SPIGERVERKET, the Norwegian metals and industrial group, has sold one of its companies to Electrolux Industrier, the Norwegian subsidiary of Electrolux. The company, Jobu, is Norway's only manufacturer of power saws.

Its activities are to be integrated with those of three Electrolux-owned companies in Sweden, all producers of power saws. Electrolux has acquired the three (Husqvarna, Partner, and Jonsered) over the past two years, and is now the largest manufacturer of power saws in the Nordic area.

ENI deficit swollen by acquisition

By Our Financial Staff

ITALY'S state hydrocarbons agency, Ente Nazionale Idrocarburi (ENI), turned in a higher loss for 1978 of L352bn ($417m) compared with the previous year's L312.5bn, but more than halved the deficit on its traditional operations.

The overall deficit included a shortfall of L202bn from previous activities of EGAM SpA, the metals and textile company acquired by the group in mid-1977 and now consolidated for the first time. Excluding EGAM, ENI's consolidated deficit totalled only L150bn.

ENI's parent company loss moved up slightly to L132.2bn from L102.7bn due to expenses involved in financing losses from chemical and textile activities. But with the inclusion of EGAM, this deficit totalled L334.2bn.

Group revenues last year showed a gain of nearly 11 per cent to L12.94 trillion (million million).

The group said that its chemical and textile losses were partly offset by positive results from energy, machinery, engineering and services. ENI supplied 45 per cent of Italy's energy needs in 1978.

Having boosted investments by more than 16 per cent last year to L1.26 trillion, ENI said that it foresaw a massive programme of spending, notably for construction of the trans-Mediterranean natural gas pipeline from Algeria.

It will also search for uranium and coal and look into the possibilities for developing geothermic and solar energy. ENI's foreign investments last year amounted to L414bn, nearly a third of the total.

Hunosa heads for record losses

BY DAVID GARDNER IN MADRID

HUNOSA, the Spanish State-owned mining concern, reports a first quarter shortfall of Pta 4.17bn ($50m) opening the possibility of record losses this year. In 1978 the company lost Pta 14.93bn, after budgeting for a Pta 10.57bn shortfall, and despite an austerity plan launched last September.

The company is wholly owned by the State holding company INI, and is its largest loss-maker. It produces a quarter of all Spain's coal, and two-thirds of industry's coking coal needs.

Hunosa's delicate cash-flow position has been sharply underlined by its difficulties in paying its 24,000-strong work-force. Although this month's wage bill will be met, much of the finance for this is being generated by the company-controlled supermarkets. The company will not, however, be paying its May bonus—Spanish workers receive two extra wage packets a year in July and December, and may also receive a bonus in the spring.

The company has announced a new emergency programme, the two main innovations of which will be a flexible moratorium on debts to suppliers and the administration — tax and social security payments debts alone exceed Pta 5bn—and a reduction in the work-force.

Sources close to the company suggest that Hunosa will be looking to cut over a thousand jobs, using early retirement rather than redundancy. This measure would need approval from the unions, which have reacted aggressively in the past to redundancies, in an area where over 40 per cent of employment comes directly under INI, and unemployment is such that Hunosa received 3,500 application for 250 recently advertised but as yet unfilled jobs.

Losses at Hunosa have since 1970 been covered by treasury grants, a drain on public funds which will come under increasing scrutiny now that these grants have to be approved by parliament. Part of the company's problem lies with slow payment by major customers.

A deeper rooted problem perhaps is that when Hunosa was set up in 1967, it was based on the commercially least attractive mines in the Asturian coalfields.

Price curbs hit Malayan Cement

By Our Kuala Lumpur Correspondent

MALAYAN CEMENT BERHAD—the biggest Malayan cement manufacturer—faces the prospect of diminishing returns in spite of strong demand for the company's products, because of the Government's refusal for the past four years to agree to an increase in the price of cement, Mr. S. F. Willey, the chairman, says in his annual report.

Mr. Willey is critical of the Malaysian Government's attitude towards the group's request for a price increase. "There are many countries in which the price of cement is controlled, but in most of them, the need for companies to maintain an adequate return on invested capital is recognised."

In Singapore, the group's problems are somewhat different, with a lack of demand for cement faced, together with expensive and irregular clinker supplies.

Work on a 130m ringgit ($58.6m) kiln outside Kuala Lumpur with an annual capacity of 1.2m tons is said to be progressing satisfactorily, despite steel shortages, and the group expects the kiln to be ready by the end of 1980.

For 1978, Malayan Cement made an after-tax profit of 6.1m ringgits compared with 6.99m ringgits in 1977. The dividend for the year was held at 22.5 per cent.

Stora Kopparberg sees improvement this year

BY VICTOR KAYFETZ IN STOCKHOLM

STORA KOPPARBERG, the Swedish forest industry and power group, looks forward to an improvement in profits this year. But political events may disturb this picture and currency market developments are uncertain and very important, warns the company's annual report.

Last year, Stora recorded a pre-tax profit of SKr 144m ($33m). In 1977, before the year-end transfer of the group's steel and mining operations to the new SSAB steel company in which Stora and Graenges each own 25 per cent and the Swedish State 50 per cent, there was a pre-tax loss of SKr 127m.

Ignoring the units transferred to SSAB, Stora's 1978 operating profit of SKr 326m represented a decline of SKr 39m for the remaining units. The Board, nevertheless, proposes to raise the dividend from SKr 7 to SKr 8.50 a share. "The freeing of working capital attributable to steel operations has made possible a sizeable reduction in debts."

Power generating operations showed strong earnings last year. In forest products, the big drain on earnings during 1978 was the pulp sector in Sweden, which recorded an operating loss of SKr 102m. Stora has improved its competitive situation in pulp by completing the first phase of reconstruction at its Skutskaer mill designed to reduce energy costs per tonne manufactured. It has also shut down its small, uneconomical sulphite pulp factory at Bergvik during the spring.

Heavier traffic boosts B & I earnings

By Stewart Dalby in Dublin

B + I, the Irish state-owned shipping line which deals mostly in the ferrying of goods and people between Britain and Ireland, registered an 83 per cent in- ($2.72m) for the 12 months ended December, 1978.

At the pre-tax level the increase was more modest, from £2.29m to £2.67m, but this reflected better turnover of some £10m from £32m to £42m.

The increase came from an improved volume of traffic, particularly passengers. Last year was the year when Irish tourism really recovered from a slump in the early 1970s, induced by fears of the troubles in the North.

Kirin Brewery reveals consolidated results

KIRIN BREWERY COMPANY, the leading Japanese brewery company, has announced consolidated net income of Y19.18bn ($89m) for the year to January 31. This is the first consolidated profit figure released by the company. Sales were Y843.93bn ($3.9bn). Earnings per share came to Y29.89.

Last month, Kirin reported parent company after-tax profit of Y18.63bn, against Y16.54bn previously, and sales of Y786.29bn, against Y669.42bn. The dividend was held at the previous Y7.5. Reuter

Adrian Dicks, in Bonn, assesses recent efforts within the Krupp group to boost efficiency

Spending to stay in the special steels race

THE STEEL subsidiary of the Krupp group, Fried. Krupp Huettenwerke, has completed an ambitious re-equipment programme designed to maintain its role as a major special steels producer, with the recent commissioning in Siegen of new plant that it hopes will transform the economics—as well as the technology—of the business.

At a cost of DM 51.5m ($27m), FKH has developed and constructed what it claims is Europe's first six-line installation for continuous casting of special steel billets. The installation saves two entire stages compared to the method of production which it supersedes. Molten steel is poured directly into the billet-casting lines rather than into ingot moulds, while the billets themselves can be moved almost directly to the rolling mills without having to be reheated.

Last year, the Geisweid works in Siegen saw the first phase of the re-equipment programme, in the form of a high-performance electric arc furnace capable of producing about 100 tonnes of molten steel from scrap every 100-120 minutes, or about twice as fast as the four Siemens-Marten furnaces which it replaced. New rolling mills for standard rods and bars have also been installed. All the equipment is computer-controlled and monitored, though not to an extent that has reduced the need for highly skilled steelmen at each stage.

The FKH management hopes that with all these advanced installations in place, savings of as much as DM 100 per tonne on average should be possible for many of its special steels products. Exact figures have become difficult to calculate because of recent fluctuations in the price of the steel scrap on which the electric arc furnace depends. Should scrap prices —which have risen by 30 per cent this year—remain at present levels, and the billet-casting line have to be serviced otherwise, cost savings might well be appreciably less.

Yet the company is convinced that it had no alternative to its modernisation programme at Geisweid. The works, which still bears the name Stahlwerke Suedwestfalen and which came fully into the Krupp orbit only in 1978, has concentrated on special steels for decades. Set among the wooded hills of the Siegerland, Geisweid has a steelmaking tradition as old as any in Europe, yet enjoys few of the advantages of access to raw materials or to cheap water-borne transport of more modern bulk steel-producing plants. Without a continued expertise in higher value special steels, it would probably have no future as a steel town at all.

FKH's production of special steels has risen since 1975 from 600,000 tonnes, or 17.6 per cent of total steel tonnage, to 1.52m tonnes, or 30.2 per cent, in 1978. This jump was due in part to FKH's acquisition of Stahlwerke Suedwestfalen in 1975. The new plant which FKH has installed at Geisweid should account alone for 400,000 tonnes, or over one-quarter, of special steel output, in a full year's operation.

In common with other big German steel companies, FKH several years ago sought to step up special steels production in order to help compensate for the drastic increase in low cost bulk steel output from Japan and from the third world. The strategy proved for several companies to be highly successful, with profits from the special steels side going a long way towards offsetting mounting losses from bulk steel products. In financial terms, special steels accounted last year for about half of all FKH's steel sales.

It has not, however, proved possible for the specials steels sector to remain insulated from the world-wide crisis in the rest of the industry. Thus West German producers have seen imports of special steel alloys as a whole increase by about 15 per cent in each of the past two years, with those of stainless and heat resistant alloys growing by no less than 35 per cent. There has been heavy pressure on prices and a drop in profitability.

With U.S. import rates for comparable special steel products less than half in each case, German producers are inclined to complain that they face an unfair competitive situation. There is especial bitterness, too, at the huge, state-subsidised investments in special steels being undertaken in almost every other steel-making member state of the European Community.

All this might matter less were it not for the trend in the motor industry, which buys 60 per cent of West German special steel, to reduce steel per vehicle used as a means of cutting fuel consumption. Herr Fritz Stemmer, an FKH director, illustrates the point by comparing the increases in vehicle output of 37.5 per cent for passenger cars and 13.3 per cent for utility vehicles between 1974 and 1978 with the increase of barely 2 per cent in special steels of this kind used by the motor industry.

The element of gamble in FKH's huge investment in Geisweid lies in its belief that this process may have reached its limits for the time being, or at least until currently unforeseeable advances in plastics and light metal technology are made. It also believes that its own production process, computer controlled from scrap-assaying through the furnace to the billet-casting line will bring about both higher quality and lower costs than any foreign competitor will be able to match for many years.

FKH sales executives cautiously hope that prices may be a little firmer this year, thanks in part to the Davignon plan. This will be welcome in a year when many rare metals used for alloying, including chrome, cobalt and molybdenum, will be scarcer and dearer, while Herr Stemmer confirms that prices paid for nickel are already 15-20 per cent higher. There may be less compensating increase in the Deutsche-Mark than in 1978, when for West German steel companies most raw material prices fell.

The FKH management is well aware that it will need to achieve a higher rate of capacity use on its new Geisweid facilities than the industry's dismal average of around two-thirds last year. But for the time being Herr Stemmer is confident. "Despite the industry's problems, we are definitely not operating in the red."

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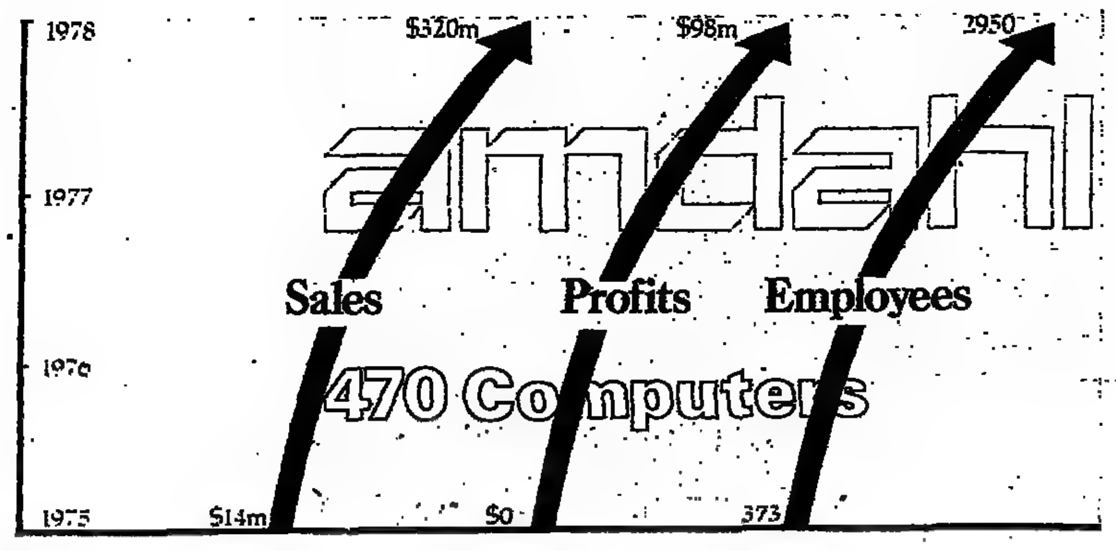
European Treasury Operations



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COMPANY NOTICES

GRATTAN WAREHOUSES LIMITED

NOTICE IS HEREBY GIVEN that the Register of Ordinary Stockholders will be closed from 30th April to 4th May, 1979, both dates inclusive for the purpose of preparing Dividend Warrants payable on 12th June, 1979.

By Order of the Board,
K. M. GRAY, FCA,
Secretary.

Ancher House,
Ingleby Road,
Bradford BD99 2XG

SAVE AND PROSPER LINKED INVESTMENT TRUST LIMITED

NOTICE OF BOARD MEETING

NOTICE IS HEREBY GIVEN that a Meeting of the Board of Directors of Save and Prosper Linked Investment Trust Limited will be held on Thursday, 3rd May, 1979, at 3.00 p.m. for the purpose of considering the distribution of a 2nd Interim Dividend on Income Shares.

The Share Register will be CLOSED at close of business on Friday, 4th May, 1979, until the morning of Tuesday, 8th May, 1979.

By Order of the Board,
J. B. SHELLEY, Secretary.

4 Great St. Helens,
London EC3P 3EP.
20th April, 1979.

PUBLIC NOTICES

BARNSLEY METROPOLITAN BOROUGH COUNCIL

£1.2m Bills issued 25.4.79, at 11[illegible]%, to mature 25.7.79. Total applications were £4.8m. Total outstanding £2.2m.

BIRMINGHAM COUNCIL BILLS

The ninety-one day Bills which were issued on the 12th April, 1979, maturing on the 12th July, 1979, amounted to £8m. This statement was omitted from the official notice which appeared on the 12th April last.

CARDIFF CITY COUNCIL

£1,000,000 Bills issued on the 24th April, 1979, at 11[illegible]% per annum. Applications totalled £17,500,000. These are the only Bills outstanding.

COUNTY OF CLEVELAND

£17m 91-day Bills, issued 11.4.79 to 11.7.79 at average rate of 11.1507. Applications totalled £120.5m. No other Bills outstanding.

EAST SUSSEX COUNTY COUNCIL BILLS

£[illegible] Bills maturing July 25th 1979, were offered and issued on April 25, 1979, at an average rate of 11.27[illegible]% p.a. Total applications for this issue amounted to £32,000,000 and there are £5,000,000 Bills outstanding.

THE FIFE REGIONAL COUNCIL BILLS

£2,000,000 Bills, issued 25.4.79, maturing 25.7.79, at 11.27-64%. Applications total £14,000,000 and there are £4,000,000 Bills outstanding.

WEST YORKSHIRE METROPOLITAN COUNTY COUNCIL

£9m 91-day Bills, issued 25th April, 1979 due 25th July, 1979 at 11.27-64%. Applications totalled £91m. No other Bills outstanding.

£1m 91-day Bills, issued 25th April, 1979 due 25th July, 1979 at 11[illegible]%. Applications totalled £91m. No other Bills outstanding.

CLASSIFIED ADVERTISEMENT RATES

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Wall Street narrowly higher at mid-session

INVESTMENT DOLLAR PREMIUM
\$2.60 to £1—60¾% (57%)
Effective \$2.0415 26% (24¾%)

FOLLOWING TUESDAY'S good showing, Wall Street remained active yesterday morning but was only narrowly higher at mid-session.

The Dow Jones Industrial Average was just 0.43 firmer at \$67.29 at 1 pm, while the NYSE All Common Index gained 11 cents more to \$57.73 and rises

Closing prices and market reports were not available for this edition.

held a small lead over declines in the ratio of seven-to-five. Turnover came to 21.13m shares, compared with the previous day's 1 pm level of 23.99m.

Analysts said investor opinion on the outlook for the economy and interest rates remains divided, but most of the recent spate of corporate news has been good.

Strong earnings continued to be reported, especially by those in the Oil group, and there has also been a rash of dividend increases.

Amerada Hess topped the actives list and climbed 1¾ to \$34¼, boosted by more-than-tripled first-quarter net profits.

Texaco, which on Tuesday announced higher profits and raised the dividend, picked up ⅜ to \$27¼.

Exxon gained ⅜ to \$53⅞. It has been firm since reporting a 37 per cent rise in March-quarter profits on Monday.

Active Polaroid put on ⅜ to \$34¼ after losing nearly two points on Tuesday.

Oneida advanced 2½ to \$24 before slipping back to \$22⅝ for a net gain of ⅜. The company has raised the dividend.

IBM edged up ¼ to \$310¼ and Eastman Kodak ¼ to \$64¼, but Du Pont eased ⅜ to \$132¼ and Teledyne ⅜ to \$124.

Procter and Gamble added ⅜ at \$80⅛ on an advance in third-quarter net earnings. Colgate-Palmolive picked up ⅛ to \$18⅛ after a small increase in first-period profits.

THE AMERICAN SE Market Value Index gained 1.00 more to 183.44 at 1 pm on sizeable volume of 2.70m shares (2.42m).

Among the Amex actives, Ranger Oil rose 1¼ to \$20¼, Petro-Lewis ⅜ to \$16, Canadian Homestead Oil ½ to \$13⅞ and Total Petroleum (North America) ⅜ to \$20⅜.

Resorts International "A" picked up \$1 to \$46½, but Golden Nugget slipped ⅜ to \$20¼.

Outdoor Sports Industries hardened ⅛ to \$10. It reported higher first-period net earnings, but Telco Marketing has dropped plans to acquire 300,000 Outdoor Sports shares.

Canada

Markets were broadly higher at mid-day following fairly active trading. The Toronto Composite Index improved 6.9 more to 1,476.4 at noon, while Golds strengthened 35.2 to 1,558.4 and Oils and Gas 27.7 to 2,224.5. Utilities put on 0.63 to 223.13 and Papers 0.34 to 157.82, but Banks declined 1.04 to 308.88.

Dome Petroleum moved ahead 4¾ to C\$136, Gulf Canada ⅜ to C\$47½ and Husky Oil ¼ to C\$56½.

Home Oil "A," the most active Toronto issue on 39,322 shares, slipped ⅛ to C\$55. An offer for 120,000 shares of Home Oil at C\$55 by Merit Investments has expired.

Rio Algom added ⅛ at C\$33⅞ and Algoma Steel also ⅛ at C\$30. Both reported higher first-quarter earnings.

Tokyo

With active buying of speculative stocks taking place, the recent market uptrend continued yesterday. Trading volume amounted to a heavy 500m shares despite a one-hour shortening of the session due to the Japanese railway strike, compared with Tuesday's 320m.

The Nikkei-Dow Jones Average rose 39.61 further to 6,175.78 and the Tokyo SE index was 0.66 higher at 449.10.

One broker cited strong desire to purchase such speculative stocks as energy industry-related issues by individual investors as a major reason for the sharp increase in trading volume.

Low-priced Chemicals, together with Non-Ferrous Metals, Shippings and Shipbuildings met speculative attention.

Shippings were selected on the news that Saudi Arabia had decided to break off diplomatic relations with Egypt. "There is a possibility that the Suez Canal may be blockaded, and charges for chartering tankers are expected then to soar," a stock analyst commented.

Nippon Oil gained Y30 to Y1,230, Teikoku Oil Y39 to Y605, Niettetsu Mining Y26 to Y503, Toa Nenryo Y80 to Y880, Ishikawajima-Harima Y7 to Y122, Japan Line Y13 to Y170, C. Itoh Y16 to Y298 and Tokyo Marine Y8 to Y502.

On the other hand, export-related issues, including Light Electricals and Motors, retreated under fresh profit-taking. TDK Electronic receded Y30 to Y1,980 and Pioneer Electronic Y20 to Y2,400, while Toyota Motor, Y970, and Nissan Motors, Y705, were each Y20 weaker. Honda Motors lost Y9 more to Y567.

Germany

With little fresh buying in evidence, shares closed with an easier bias after slow trading.

Brokers attributed the market's softer tone to a continued uptrend in West German interest rates. Also, they said, the approaching end of month may have caused tighter liquidity positions for investors.

Among generally maintained Motor stocks, Volkswagen slipped DM 1.20 despite disclosure by the company of continued good results. Brokers said the market had already discounted Volkswagen's business report.

Banks generally reacted, with losses of DM 1.50 apiece being registered by Deutsche Bank and Dresdner Bank. Bayerische Vereinsbank shed DM 2.50, but Commerzbank improved a shade.

Machinery Manufacturers relinquished some ground, Linde receding DM 7 and GHH DM 2, while in easier Steels Krupp-Huette declined DM 2.50.

However, Utilities had VEW up DM 1.80.

Public Authority Bonds further weakened by up to 90 pfennigs, with the Bundesbank purchasing DM 49.7m nominal of paper (DM 39.3m). Mark-denominated Foreign Loans were marked down by up to 75 pfennigs more.

Paris

Depressed by Press reports which forecast a 0.9 per cent rise in French March retail prices against a 0.7 per cent gain in February, share prices generally turned easier yesterday in a moderate business. The Bourse Industrials index retreated 0.5 from the 1979 high attained on Tuesday to close at 80.9.

Portfolios and Motors were firmer against the trend, while Banks, Foods, Hotels and Metals were mixed. Declines predominated in other sectors.

Trading in shares of Banque de la Construction et des Travaux Publiques, in which Midland Bank, of the UK, is to acquire a majority interest, resumed yesterday, with the share price gaining about 2 per cent on the day.

L'Oreal put on FFr 8 to FFr 759 after announcing sharply increased 1978 profits.

Other issues closing noticeably above their Tuesday levels were UFB, Chargeurs Reunis, Poliet, PLM, Navale Dunkerque, Carrefour, Peugeot Citroen and Primagaz.

Weakening stocks included Credit du Nord, Simco, Dumez, Borel, Presses de la Cite, Paris-France, Matra, Sacilor, Pechiney, Segerap, Bellon, UTA, Puk, Imetal, BSN Gervais Danone and Moet Hennessey.

Australia

Markets were closed yesterday for the Anzac Day holiday.

Hong Kong

After opening on a firmer note, stocks slipped back to finish with mixed movements on balance after another very thin business. The Hang Seng index ended 1.15 easier at 529.21.

Hong Kong Electric lost 12½ cents to HK\$4.55, Hong Kong Land 5 cents to HK\$7.80, Jardine Matheson 10 cents to HK\$11.50 and Swire Pacific "A" 5 cents to HK\$7.85, but Hutchison Whampoa gained 2½ cents to HK\$4.025 and Hong Kong Bank 10 cents to HK\$13.

Amsterdam

Activity was at a low ebb with no clear trend being established.

In mixed Dutch Interntionals, Unilever gained 40 cents ahead of its forecast of an improved performance this year. Hagemeyer, which passed its 1978 dividend, was offered at Fl 38, down Fl 10 from Tuesday's close.

Banks strengthened, with Algemeine Bank advancing Fl 4.50. Elsewhere, Elsevier put on Fl 3.40 and Ennia Fl 3, but International Muller receded Fl 2.70.

NOTES: Overseas prices shown below exclude \$ premium. Belgian dividends are after withholding tax.
♦ DM 50 denom. unless otherwise stated, yields based on net dividends plus tax.
♥ Pta 500 denom. unless otherwise stated.
♣ DKr 100 denom. unless otherwise stated.
○ SwFr 500 denom. and Bearer shares unless otherwise stated. ¶ Y50 denom. unless otherwise stated. $ Price at time of suspension. a Florins. b Schillings. c Cents. d Dividend after pending rights and/or scrip issue. e Per share. f Francs. g Gross div. %. h Assumed dividend after scrip and/or rights issue. k After local taxes. m % tax free. n Francs including Unilac div. p Nom. q Share split. s Div. and yield exclude special payment. t Indicated div. u Unofficial trading. v Minority holders only. y Merger pending. * Asked. † Bid. § Traded. ‡ Seller. z Assumed. xr Ex rights. xd Ex dividend. xc Ex scrip issue. xa Ex all. A Interim since increased.

Indices

NEW YORK —DOW JONES

	Apr. 24	Apr. 23	Apr. 20	April 19	Apr. 18	Apr. 17	1979 High	1979 Low	Since Compil'tn High	Since Compil'tn Low
● Industr'ls	856.86	860.10	856.38	855.25	858.27	857.86	878.72 (18/4)	807.00 (27/2)	1051.70 (11/1/73)	41.22 (2/7/32)
H'me B'nds	84.24	84.15	84.12	84.14	84.08	84.27	85.38 (2/2)	84.09 (18/4)	—	—
Transport	232.82	231.11	231.91	231.88	232.62	230.86	235.25 (18/4)	205.78 (27/2)	279.88 (7/2/69)	12.23 (8/7/32)
Utilities	102.27	102.33	102.74	103.35	103.04	103.04	104.94 (8/4)	98.78 (2/1)	163.32 (20/4/69)	10.58 (28/4/42)
Trading vol. 000's	35,678	25,590	28,560	31,850	29,580	29,390	—	—	—	—

● Day's high 873.35 low 858.64

	Apr. 20	Apr. 12	Apr. 6	Year ago (approx)
Ind. div. yield %	5.78	5.68	5.65	5.75

STANDARD AND POORS

	Apr. 24	Apr. 23	Apr. 20	April 19	Apr. 18	Apr. 17	1979 High	1979 Low	Since C'mpil't'n High	Since C'mpil't'n Low
‡Indust'ls	114.15	113.56	112.98	112.85	115.46	112.87	116.85 (9/7)	107.08 (27/2)	154.64 (11/1/73)	3.52 (30/6/32)
‡Composite	102.50	101.57	101.25	101.28	101.70	101.24	103.34 (18/4)	96.13 (27/2)	125.85 (11/1/6)	4.40 (1/6/32)

	Apr. 18	April 11	April 4	Year ago (approx.)
Ind. div. yield %	5.10	5.08	4.97	5.14
Ind. P/E Ratio	8.60	8.57	8.70	8.94
Long Gov. Bond Yield	9.04	9.06	8.99	8.30

N.Y.S.E. ALL COMMON

Apr. 24	Apr. 23	Apr. 20	April 19	1979 High	1979 Low
57.62	57.29	57.09	57.09	58.18 (10/4)	53.88 (27/2)

Rises and Falls

	Apr. 24	Apr. 23	April 20
Issues Traded	1,914	1,901	1,872
Rises	904	769	661
Falls	558	549	720
Unchanged	452	483	491
New Highs	62	36	20
New Lows	21	15	26

MONTREAL

	Apr. 24	Apr. 23	Apr. 20	April 19	1979 High	1979 Low
Industrial	245.85	244.92	244.39	245.81	250.51 (27/3)	219.79 (2/1)
Combined	249.46	248.31	248.08	248.41	250.98 (6/4)	225.80 (2/1)

BASE LENDING RATES

A.B.N. Bank	12 %
Allied Irish Banks Ltd.	12 %
Amro Bank	12 %
American Express Bk.	12 %
A P Bank Ltd.	12 %
Henry Ansbacher	12 %
Associates Cap. Corp.	13 %
Banco de Bilbao	12 %
Bank of Credit & Cmce.	12 %
Bank of Cyprus	12 %
Bank of N.S.W.	12 %
Banque Belge Ltd.	12 %
Banque du Rhone et de la Tamise S.A.	12½ %
Barclays Bank	12 %
Bremar Holdings Ltd.	13 %
Brit. Bank of Mid. East	12 %
■ Brown Shipley	12 %
Canada Perm't Trust	12 %
Cayzer Ltd.	12 %
Cedar Holdings	12 %
■ Charterhouse Japhet	12 %
Choulartons	12 %
C. E. Coates	12 %
Consolidated Credits	13 %
Co-operative Bank	*12 %
Corinthian Secs.	12 %
Credit Lyonnais	12 %
The Cyprus Popular Bk	12 %
Duncan Lawrie	12 %
Eagil Trust	12 %
English Transcont.	12½ %
First Nat. Fin. Corp.	15 %
First Nat. Secs. Ltd.	14 %
■ Antony Gibbs	12 %
Greyhound Guaranty	12 %
Grindlays Bank	‡12 %
■ Guinness Mahon	12 %
■ Hambros Bank	12 %
■ Hill Samuel	§12 %
C. Hoare & Co.	†12 %
Julian S. Hodge	13 %
Hongkong & Shanghai	12 %
Industrial Bk. of Scot.	12½ %
Keyser Ullmann	12 %
Knowsley & Co. Ltd.	13½ %
Lloyds Bank	12 %
London Mercantile	12 %
Edward Manson & Co.	13 %
Midland Bank	12 %
■ Samuel Montagu	12 %
■ Morgan Grenfell	12 %
National Westminster	12 %
Norwich General Trust	12 %
P. S. Refson & Co.	12 %
Rossminster	12 %
Royal Bk. Canada Tst.	12 %
Schlesinger Limited	12 %
E. S. Schwab	13 %
Security Trust Co. Ltd.	13 %
Shenley Trust	15 %
Standard Chartered	12 %
Trade Dev. Bank	12 %
Trustee Savings Bank	12 %
Twentieth Century Bk.	13 %
United Bank of Kuwait	12 %
Whiteaway Laidlaw	12½ %
Williams & Glyn's	12 %
Yorkshire Bank	12 %

■ Members of the Accepting Houses Committee.
* 7-day deposits 9½%. 1-month deposits 9¾%.
† 7-day deposits on sums of £10,000 and under 9½%, up to £25,000 10% and over £25,000 10½%.
‡ Call deposits over £1,000 9½%.
§ Demand deposits 9½%.

EUROPEAN OPTIONS EXCHANGE

TOTAL VOLUME IN CONTRACTS 2312

C=Call P=Put

هكذا من الأصل

Sugar Bill compromise in U.S.

REPRESENTATIVES FROM nearly all key U.S. sugar producing states have reached a compromise on new domestic sugar legislation that would call for a 0.50 cent a pound direct payment to producers each year over a three-year period starting in October, 1979, a sugar industry official said, reports Reuter from Washington.

He said the producer group agreed on a $50,000 limit on the direct payment to any one producer.

All large sugar cane and sugar beet producing states except Hawaii, accepted the compromise.

The industry representatives then met with House agriculture committee chairman, Thomas Foley, who told the group he would accept the compromise, the official said.

A House agriculture committee staff member predicted the compromise may revive the proposed domestic sugar legislation, which had been caught in a growing dispute among various interests.

On the London sugar market meanwhile sugar prices reversed their recent downtrend with the August position gaining £2.45 to £103.475 a tonne. In the morning the London daily raw sugar price was fixed £1 higher at £95 a tonne.

Dealers said yesterday's rise was mainly due to steadiness in New York coupled with the weaker tone in sterling. They said reports of Indian white sugar sales and an Egyptian white sugar purchase had little direct impact on the market.

Turkey 'ham' test marketed

BRITAIN'S hard-pressed pig farmers may soon be facing a new threat to their market—ham produced from turkeys.

Fenton Barns (Scotland), one of Britain's largest turkey producers, has started test marketing turkey ham in their farm shop at Dirleton, East Lothian. It claims the product has been well accepted by customers.

"There is absolutely no reason why ham should not be made from turkey meat," said Mr. Keith Chalmers-Watson, Fenton Barns' managing director, speaking after a British Turkey Federation meeting in Edinburgh yesterday.

"We are pleased with the way the test has gone. All we have to do now is to sort out the distribution and marketing of the product and we are ready to move ahead."

Jute producers drop buffer stock plan

BY BRIJ KHINDARIA IN GENEVA

MAIN jute-producing countries are moving towards acceptance of an international commodity arrangement aimed at promoting their exports rather than stabilising prices.

Despite the likely further increases in oil prices the cost of producing synthetic substitutes for jute have not increased strongly enough to give natural jute producers a breathing space in their fight for survival.

One trade expert at the Unctad talks here thinks that if nothing is done very soon to curb the worsening terms of trade for raw jute and jute products, the entire natural jute industry will be run into the ground.

The jute negotiations reflect a classic North-South confrontation. The producers are some of the world's poorest countries who have traditionally sold unprocessed fibre to factories mainly in western nations. These developed nations are now trying to protect the jobs of their jute workers by placing import restrictions on processed jute products from the developing countries.

The real price of raw jute and jute products has been on a falling trend for two decades despite a temporary rise in nominal prices following the 1971 war which led to the birth of Bangladesh.

Bangladesh's subsequent misfortunes which caused some tightness of supplies allowed the synthetic substitutes industries to grow further and to survive reasonably well despite the oil price rises.

The EEC has been frankly protectionist on the import of processed jute. But it has been acutely aware of the hardships caused, particularly to Bangladesh.

It has suggested the creation of a special fund which would help Bangladesh to hold temporary stocks of jute and jute products to bolster prices. But none of the various schemes involving buffer stock systems has got off the ground.

The earlier producer countries' demand was for an international commodity arrangement consisting of nationally held, but internationally co-ordinated, buffer stocks aimed at supporting agreed floor and ceiling prices.

At a recent secret meeting in Katmandu, Nepal, however, the producers decided that they would no longer hold out for such a classical international commodity arrangement. Like the consumers, they perceive the need to make greater efforts to cut costs and rationalise the jute-growing and processing industries to make the natural product more competitive on world markets.

The producers want to set up an international jute organisation with a decision-taking council as part of an international commodity arrangement.

Export boost for U.S. cotton

BY OUR COMMODITIES STAFF

STRONG DEMAND for U.S. cotton could push exports to the highest level since 1960-61, according to the latest projections issued by the U.S. Department of Agriculture in Washington, reports Reuter.

It forecast a 5 per cent rise in exports to 6.3m bales, which would equal domestic U.S. mill consumption for the first time since 1937-38. It would also mean a reduction in U.S. stocks on August 1 this year to 3.7m bales compared with 5.3m a year ago.

The latest production estimate for the 1978-79 season has been marginally raised to 10.9m bales, from 10.8m forecast previously, but this is still well below the 1977-78 outturn of 14.4m bales. Production next year is predicted at between 13.2m to 14.6m bales, according to weather conditions, but taking into account an expected 8 per cent rise in plantings.

U.S. soyabean exports during the current, 1978-79 season, are now projected at 800m bushels, and crushings at 1,010 bushels, up 15.0m and 10.0m respectively from earlier projections.

In its supply and demand report, the USDA said the increased prospective use reflects continued strong demand for meal and oil following the delayed Brazilian soyabean harvest.

Stocks this September are still forecast at 140m bushels, but current and prospective soyabean prices suggest a somewhat larger 1978-79 carry-over.

The USDA said soyabean supplies could reach a record in the 1979-80 season, with growers indicating they expect to increase plantings by 7 per cent. If growing conditions are relatively favourable the total supply would be about 2.2bn bushels and even with relatively unfavourable conditions, supplies of just over 1.9bn would nearly match this season's record 2.0bn-bushel level.

The 1979 wheat crop could total nearly 2.1bn bushels with favourable weather and 1.8bn under unfavourable conditions compared with 1.8bn this season.

The USDA said stronger export demand in the current season, and lower than expected April 1 stocks, reduced the projected June 1 carryover from the 1,004m bushels projected earlier.

Bumper Indian rice crop

NEW DELHI — India expects the 1978-79 rice season (July/June) to yield another bumper crop.

Output could be close to the record level of the 52.7m tonnes reached in 1977-78, Minister of State for Agriculture Bhanu Pratap Singh told Parliament yesterday.

Outlining export commitments, Mr. Singh said 24,000 tonnes of rice will be shipped to Mauritius by June 1979, and another 12,000 tonnes will be shipped from November 1979.

The Soviet Union has contracted to import about 200,000 tonnes in exchange for crude oil and is considering a loan of another 150,000 tonnes of rice and 50,000 tonnes of wheat to Bangladesh, he added.

In Washington, meanwhile, the U.S. Agriculture Department (USDA) said U.S. rice exports this season are now projected at 74m cwts (100 lbs), up 4m from the earlier estimate, compared with the 72.8m cwts exported last season.

Reuter

U.S. trend depresses copper

By John Edwards, Commodities Editor

COPPER PRICES fell back on the London Metal Exchange yesterday, despite the decline in sterling which generally hardened London commodity prices.

London copper opened lower following the downward trend in New York, rallied on sterling, but then fell again in later trading when U.S. prices declined. Cash wirebars closed £21.5 down at £979 a tonne, but moved lower in late kerb dealings.

The trend in copper was a depressing influence in aluminium and zinc, but other factors boosted lead, tin and nickel prices.

Lead was boosted by reports of new buying by Communist bloc countries, which it is anticipated may bring a new squeeze on supplies available to the market. As a result cash lead jumped by £28 to £567.5 a tonne.

Tin was also influenced by rumours of big shipments to the Soviet Union in the next few weeks. The cash price rose by £85 to £7,470 a tonne widening its premium over the three months quotation to £325.

Nickel rose sharply, by £75 to £2,862.5 a tonne, on reports that a new offer by International Nickel had been rejected by workers at its Sudbury mines, who have been on strike since September.

Free market platinum prices rose by £4.65 to £194.70 an ounce in London yesterday.

Farm research expenditure 'abysmally low'

By Our Commodities Staff

EXPENDITURE ON agricultural research in the Common Market is "abysmally low," Dr. Tom Walsh, director of the Dublin Agricultural Institute, said in London yesterday.

"Only four or five million units of account are spent each year on agricultural research while as much as 20 times that amount is spent on much less important matters," he added.

Speaking at the annual lunch of the British Four Milling and Baking Research Association Dr. Walsh said the Common Agricultural Policy was in urgent need of amendment.

MINERAL SUPPLIES

Mexican mining takes the road to revival

BY WILLIAM CHISLETT IN MEXICO CITY

AFTER TWO years of falling output Mexican mining is showing signs of picking up, spurred on by increased international prices and rising domestic demand.

Mexico is rich in many minerals. It leads the world in silver production (20 per cent of total supply), fluorspar, graphite and celestite. It is also a leading producer of lead, sulphur, bismuth, arsenic and antimony.

Overall mining output fell by 7.2 per cent in the first 11 months of 1978—the latest figure compared with the same period in 1977. This was partly due to the lack of incentive to increase production with depressed prices, and partly due to the lack of capacity in some areas.

Nevertheless, the volume of exports of principal minerals rose by 11.9 per cent and in terms of value sales overseas grew by 21.6 per cent from $175m to $213m.

This year export prospects are considered to be even better. Copper production, for example, which fell by 7 per cent in 1978 to 75,944 tonnes, is expected to increase substantially because of the rising prices.

In June the giant copper mine at La Caridad in the State of Sonora, which has been under construction for the last nine years, starts production.

When the mine is in full swing, which could be within a year, production will be in the order of 72,000 tonnes of 0.7 per cent concentrate a day, with a working life of 28 years.

Mexico's lead production, which in the first 11 months of last year totalled 155,047 tonnes, has already been sold for this year because of world shortage. Lead exports are forecast to be worth $72m this year as against $50m in 1978.

However, while exports could grow by 12 per cent in value this year, in real terms the value is not much greater than in 1975 when the exchange rate was 12.50 pesos to the dollar. It is now between 22 and 23 pesos.

Mexico extracts 47 different minerals, including gold and silver. There is mining activity in 28 of the country's 32 states. About 65 per cent of the country's surface area has mineral potential. But it is estimated that only 10 per cent of the territory has been explored for minerals and only 15 per cent exploited. Thus the official reserve figure of 75m tonnes of minerals is very much on the conservative side.

There are almost certainly many new mines to be developed. It was gold and silver which lured the Spaniards to conquer Mexico in the 16th century and some of those mines are still being worked.

The Government is giving high priority to mining for the period 1976-82 with investment during this time aimed at 50bn pesos ($2.2bn), most of it from the private sector. According to the Mexican Mining Chamber from January 1977 to October 1978 investment totalled 11.2bn pesos ($495m).

Between now and 1982 it is confidently forecast that a further 39bn pesos will be invested to double the 1977 output.

In 1961 a new law was introduced which stipulated that mining companies had to be run with majority Mexican capital by 1986. Since then most mining concerns have become "Mexicanised." The foreign share of capital has been reduced to a maximum of 49 per cent and in some cases to 34 per cent when companies are exploiting "national" minerals. Virtually all mining companies are now wholly Mexican.

Farm machinery export aid urged

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

GOVERNMENT FINANCIAL help was needed to finance the purchase of agricultural machinery by the developing countries so that they could raise their agricultural production to the level which can satisfy their basic food requirements, said Mr. John Goymour, president of the Agricultural Engineers Association in London yesterday.

These remarks underlined the anxiety being felt in the farm machinery industry generally as to the prospects in the immediate future. Although the British market for tractors was down only 4 per cent on the previous year, exports had ceased to show the growth they had over previous year. Nevertheless, the industry as a whole had contributed some £400m to the balance of payments, said Mr. Goymour.

Mr. Goymour emphasised that the first quarter of this year with its combination of bad weather and industrial troubles made for a rather inauspicious start for 1979.

Tractors were more of a problem than other machinery and the immediate sales picture was of continuing difficulty, especially in northern Europe.

However, in view of the fact that 20 per cent of the industry's exports went to North America it was good to know that demand in that area was running ahead of last year and the market was buoyant.

The increased strength of sterling had not helped exports and they were facing considerable competition from Germany and Japan—countries with even stronger currencies.

Mr. Goymour felt the association's voice was not sufficiently influential in the corridors of Whitehall and Brussels and suggested that it should emulate the National Farmers Union in approaches in this field.

To an outsider such as myself, the AEA can be seen to be running a little scared. Every British implement dealer's yard seems to be full of new tractors and the overseas markets for second-hand machines which led the boom of two or three years ago has now gone very quiet. Sales may be made, but farmers are looking for discounts.

BRITISH COMMODITY MARKETS

BASE METALS

COPPER—Fell away in active trading on the London Metal Exchange. Forward metal opened sharply lower at £995 owing to the decline in overnight U.S. markets but edged up to £988 as sterling lost ground. This level brought out profit-taking which touched off stop-loss selling and the price quickly [illegible]

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
Wirebars	[illegible]	[illegible]	[illegible]	[illegible]
3 months	980-.1	—21.7	982-.5	—25
Settl'm't	979	—15.5	—	......
Cathodes				
Cash	980-1	—20	981-4	—25
3 months	976-.5	—21.5	971-81	—22.5
Settl'm't	981	—20	—	......
U.S. Smt.	—	......	*88-108.25	......

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £978, 79, three months £983, 82, 81, 80, 78, 77, 78, 79, 80, 81, 80, 81. Cathodes cash £980, 81, three months £977, 76.5. Kerb: Wirebars, three months £981, 82, 82.5. Afternoon: Wirebars, three months £986, 86.5, 87, 88, 89, 90, 89.5, 90, 91, 92, 83, 80, 81, 82, 84, 83, 82. Kerb: Wirebars, three months £983, 82, 81, 80.5, 80, 79.

TIN—Firmer owing to the continuing tightness in the nearby supply situation which widened the backwardation [illegible]

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Straits E.	£1968	+8	—	......
New York	—	......	—	......

Morning: Standard, cash £7,450, 80, 7,500, 7,490, 80, 85, three months £7,090, 7,100, 7,110, 7,100, 7,090, 7,085. Afternoon: Standard, three months £7,160, 40, 50. Kerb: Standard, three months £7,130, 25, 20.

LEAD—Sharply higher as rumours of heavy east European purchases caused a widening of the backwardation to £41 following heavy trade borrowing. Forward metal moved ahead from £511 on the early pre-market to close the late kerb at £525. Turnover 25,275 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

ZINC—[illegible]

ALUMINIUM—[illegible]

NICKEL—[illegible]

* Cents per pound. † $M per picul. † On previous unofficial close.

L.G. Index Limited 01-351 3466. August Sugar 102.65-104.25
29 Lamont Road, London, S.W10 0HS.

1. Tax-free trading on commodity futures.
2. The commodity futures market for the smaller investor.

CORAL INDEX: Close 551-556

INSURANCE BASE RATES

† Property Growth 11¼%
† Vanbrugh Guaranteed 10.12%

† Address shown under Insurance and Property Bond Table.

COFFEE

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
May	1580-1582	+13.0	1584-68
July	1551-1552	[illegible]	1559-41
September	1548-1549	—21.0	1563-40
November	1543-1546	—24.0	1550-40
January	1538-1540	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

GRAINS

[illegible]

COCOA

[illegible]

International Cocoa Organisation (U.S. cents per pound): Daily price April 24 146.95 [illegible]

COFFEE

ROBUSTAS opened slightly higher as expected [illegible]

SILVER

Silver was fixed 2.1p an ounce higher for spot delivery in the London bullion market yesterday at 382.2p. [illegible]

SOYABEAN MEAL

[illegible]

SUGAR

[illegible]

RUBBER

[illegible]

COTTON

LIVERPOOL COTTON—[illegible]

MEAT/VEGETABLES

[illegible]

PRICE CHANGES

In tonnes unless otherwise stated.

	Apr. 25 1979	+ or —	Month ago
Metals			
[illegible]	[illegible]	[illegible]	[illegible]

AMERICAN MARKETS

NEW YORK, April 24.

Cocoa—May 142.60 (143.90), July 146.00 (146.00), Sept. 147.10, Dec. 149.85, March 152.00, May 153.50, July 155.00, Sept. unquoted. Actual sales: 1,312.

Coffee—"C" Contract: May 143.30-143.60 (142.75), July 147.25-147.50 (146.76), Sept. 151.25-151.45, Dec. 150.90-151.00, March 147.90-147.95, May 148.20-148.30, July nil. Sales: 2,846.

[illegible]

71.50, June 71.30, Aug. 71.62, Oct. 71.40 asked. Sales: 24,420.

Maize—May 255¾-256 (253½), July 261½-261½ (258½), Sept. 264½-264¼, Dec. 268½-269, March 278½-278¾, May 282.

Plywood—May 203.5-203.1 (204.1), July 208.0 (207.0), Sept. 208.4, Nov. 205.5, Jan. 207.0, March 208.0, May 208.0, July 208.0, Sept. 208.0.

Silver—April 750.0 (747.2), May 750.0 [illegible]

EUROPEAN MARKETS

ROTTERDAM, April 25.

[illegible]

$151, August $151, Sept. $151.50.

Maize—U.S. No Three Corn Yellow afl. $128, April $128, May $128, June $127.50, July-Sept. $127.50, Oct.-Dec. $129.50, Jan.-March $135.

Sorghum—Argentina/U.S.: Spot 119, April-May $108.50, May $111, June $111. 1/2 Canadian feed barley April $113, May $113.

Soyabeans—U.S. Two Yellow Gulf Ports afl. $298, April $298, May $299.75, June $302.50, July $303.25, August $303, Sept. $302, October $284.50, Nov. [illegible] afl. $238, April-May $238, April-Sept. $242, Nov.-March $245.

PARIS, April 25.

Cocoa—(FFr per 100 kilos): May 1390-1406, July 1395, Sept. 1415-1419, Dec. 1451-1458, March 1480, May unquoted. Sales at call 14. Accumulative total 44.

Sugar—(FFr per 100 kilos). July 893-900, August 913-917, October 958-966, Nov. 955-970, Dec. 1000-1010, March 1040-1050, May 1055-1070, July 1065-1089. Sales at call nil.

INDICES

FINANCIAL TIMES

Apr. 24	Apr. 23	M'nth ago	Year ago
73.39	272.12	274.25	238.72

(Base: July 1, 1952=100)

MOODY'S

Apr. 24	Apr. 23	M'nth ago	Year ago
1047.3	1044.6	1057.0	895.0

(December 31, 1931=100)

DOW JONES

Dow Jones	Apr. 24	Apr. 23	Month ago	Year ago
Spot	388.70	384.27	379.91	360.51
F'tur's	388.67	387.55	386.73	350.23

(Average 1924-25-26=100)

REUTERS

Apr. 25	Apr. 24	M'nth ago	Year ago
1550.9	1546.0	1574.9	1458.5

(Base: September 18, 1931=100)

[illegible] 55lb 2.40; Polish: 55lb 2.50-3.50; Chilean: 5.40-5.80. Tomatoes—Canary: 3.00-4.50; Jersey: Per pound 0.48; Dutch: 0.45. Cucumbers—Dutch: 12/16s 1.60-1.80; Romanian: 12/14s 1.80. Cauliflowers—French: 24s 7.70-7.80; Jersey: 7.50. Cabbages—Dutch: White, net 6.50-7.00. Potatoes—Egyptian: 50lb 4.30-4.40; Cyprus: 4.40. Capsicums—Canary: 5kg 2.50-3.00; Dutch: 5.40. Celery—Spanish: 15/30s 6.00-7.00; Italian: 24s 7.00. Carrots—Cyprus: 10 kilos 1.80-2.00. [illegible]

2.40-2.80. Lettuce—Per 12 round 0.90-1.00. Mushrooms—Per pound 0.50-0.60. Apples—Per pound Bramley 0.05-0.10; Cox's Orange Pippin 0.10-0.20; Laxtons 0.04-0.06. Pears—Per pound Conference 0.15-0.20. Beetroot—Per 28lb 1.10, long 1.80. Carrots—Per 28lb 1.40-1.80. Onions—Per 28lb 1.60-2.50. Rhubarb—Per pound outdoor 0.05-0.06, indoor 0.12-0.14. Tomatoes—Per pound 0.43-0.48. Swedes—Per 28lb 1.30-1.40. Turnips—Per 28lb 1.00-1.20. Cucumbers—Tray [illegible]

Buyers undeterred by opinion polls and 30-share index closes 5.7 higher at all-time peak of 552.7

Account Dealing Dates

Option

*First Dealings	Declarations	Last Dealings	Account Day
Apr. 9	Apr. 19	Apr. 20	May 7
Apr. 23	May 3	May 4	May 15
May 8	May 17	May 18	May 30

* "New time" dealings may take place from 9.30 a.m. two business days earlier

Undeterred by the latest batch of opinion polls which all indicated a narrowing of the Tory lead over Labour in the run up to next week's General Election, equity markets took the previous day's sharp rise a stage further yesterday. Government stocks, however, were affected by the political surveys and also by the fresh setback in sterling but the losses in this sector were minimal.

Although fresh demand was concentrated mainly on secondary issues, leading Industrials edged higher and, despite faltering a little at one stage, final quotations were at the day's best. There were no signs of any further institutional support and demand at best was only sporadic.

The FT 30-share index broke through its all-time high of 549.2, recorded in September 1977, with a gain of 5.7 at 552.7. This compares with the more broadly based FT-Actuaries All-Share index which surpassed its previous record early last month and has been steadily breaking new ground since then. Yesterday's close of the All-Share index was 1.1 per cent up at an all-time high of 278.39.

Early asumptions that the fall in sterling would produce selling of British Funds were not at first correct and initial losses extending to ¼ were either reduced, or in the case of the longs, regained. Trade was fairly modest, however, and later the market eased again to around the lower opening levels.

Aggressive institutional and other buying of investment currency in a market basically firm adjusting to the lower exchange rate for sterling sent the premium higher to a close of 80¼ per cent, a gain of 3½ points on the overnight level. Yesterday's SE conversion factor was 0.7930 (0.8009).

A total of 1,611 contracts was recorded in Traded options, compared with the previous day's 2,258. RTZ attracted most interest with 258 deals.

Banks good again

Clearing banks took the previous day's advance a useful stage further when renewed support found stock in short supply, the latter being primarily responsible for fresh double-figure gains in **NatWest**, 385p, **Midland**, 445p, and **Lloyds**, 345p, all up 13. **Barclays** ended 10 to the good at 495p. Overseas issues were helped by investment currency influences; **Algemene** added 6 points to £110, **Deutsche** 4½ points to £91½ and **Standard Chartered** appreciated 16 to 503p. Elsewhere, **Hill Samuel Warrants** gained 40 more for a two-day advance of 100 to 310p on continued buying in ta hin market, while **Wagon Finance** hardened 2 to 54p in belated response to Press comment.

Lloyds brokers fared best in firm Insurances, moving forward in sympathy with the weakness of sterling. **C. E. Heath**, 260p, and **Matthews Wrightson**, 215p, rose 13 and 10 respectively. **Sun Alliance** added 12 to 652p among Composites.

Breweries closed at around the day's best although business was lighter than on Tuesday. **Scottish and Newcastle** hardened a penny to attain a new peak of 70½p. **Guinness** added 5 to 212p.

Building issues displayed numerous good features. **BPB** firmed 12 for a two-day gain of 24 to 336p in a market still short of stock and **Blue Circle** improved 8 to 338p. **John Mowlem** put on 8 to 128p in anticipation of today's annual results, while **SGB** added 4 to 271p following Press mention. **Brown and Jackson** rose 50 to 600p in a limited market on the four-for-one capitalisation proposal, preference issue placing and the acquisition news. Speculative demand lifted **Francis Parker** 4 to 26p and, in a tinued buying in a thin market, thin market, **Magnet and Southerns** added 12 to 190p, while **Armitage Shanks** improved 3 more to 83p. **Travis and Arnold** touched 216p following the annual results, but the latter shaded to 213p for a gain of only a penny on balance. In sharp contrast, the lower annual profits prompted a swift reaction in **Sheffield Brick**, which dropped 10 to 66p.

Business in **ICI** left much to be desired, but the price moved up 3 to 410p.

Stores staged a broad advance led by DIY concern **Home Charm** which jumped 21 to a 1979 peak of 373p in response to the good results and proposed five-for-two scrip-issue. **A. G. Stanley** rose 11 to 232p in sympathy. Comment on the strong second-half profits performance helped **John Menzies** put on 13 more to 233p, while renewed speculative demand in a thin market left **Moss Bros.** 6 dearer at 250p. **Foster Bros.** firmed a similar amount to 250p and **Harris Queensway** appreciated 7 to 262p but **Cope Sportswear** eased 2 to 46p on the disappointing results. The leaders continued firmly with sentiment still bolstered by the Central Statistical Office's findings that the volume of consumer spending is recovering from the last quarter slow-down of 1978. **Marks and Spencer**, with results due on May 8, touched 131p before closing unaltered on balance at 129p.

Closing gains in the Electrical leaders ranged to 6. **Thorn** closed that much better at 474p, while **GEC** firmed 5 to 532p. Elsewhere, a re-appraisal of the results and capital proposals helped **Farnell Electronics**, at 503p, retrieve 13 of the previous day's fall of 33; **Electrocomponents** rallied 10 to 425p in sympathy. **Sound Diffusion** found renewed support at 118p, up 6, and **Newman Industries** added 4 at 94p.

Engineering leaders barely stirred until the late dealings when a firmer tendency developed and left quotations a few pence dearer, but **Vickers**, a firm market of late in front of today's annual results, drifted back 3 to 207p. Elsewhere, selective support was forthcoming for secondary issues. Speculative demand was seen in **Averys**, 8 to the good at 260p, while renewed support left **Baker Perkins** 4 dearer at 151p, and **B. Elliott**, a similar amount up at 235p. Buying interest was also shown in **Laird Group** which improved 4 to 109p. **Simon Engineering** responded to the results with a gain of 2 to 328p, but **Hopkinsons** contrasted with a reaction of 3 to 84p on the profits setback, while the pre-tax loss for the year left **Richardsons Westgarth** 2½ cheaper at 43p.

Following annual profits up to best expectations, **Spillers** firmed 3½ to 47½p; the chairman's statement quashing current bid rumours had no impact. Selective support was evident for other Foods with **Unigate** and **United Biscuits** 5 apiece to 93p and 90p respectively. Awaiting tomorrow's interim figures, **Lockwoods** firmed 4 to 112p. In Supermarkets, **Hillards** improved 7 to 305p in a thin market, **Kwik Save** picked up 4 to 120p and recently firm **Tesco** added a penny more at 80½p.

In Hotels, **Prince of Wales** put on 12 to 117p on revived speculative demand.

BTR up

Firm conditions prevailed in the miscellaneous Industrial leaders and although buying was smaller, stock shortage helped produce further good gains. Additionally helped by sterling's reaction, overseas earners such as **Reckitt and Colman** finished 18 better at 502p and **Beecham** 13 better at 730p. Following the chairman's remarks at the AGM, **Unilever** ended 8 better at 648p, after 650p, while **Reed International** closed 5 harder at 192p following the strong first-quarter profits recovery produced its Canadian subsidiary Reed Paper. Elsewhere, buying in a market none too well supplied with stock prompted a rise of 10 to 495p, after 500p, in **BTR**, while **Hoskins and Horton** put on 5 to 163p in response to the satisfactory results. **Gibbons Dudley** advanced 7 to 89p, after 90p, following the Chairman's encouraging statement. Comment on the results helped **Foseco Minsep** appreciate 10 more to 185p, while **Centreway Securities** put on 13 to 333p. **Royal Worcester** improved 8 to 188p as did **I. C. Gas**, to 480p, and **Security Services**, to 178p.

Grampian A firmed 6 for a two-day gain of 8 to 46p in further response to the annual results. Holiday concerns ***Horizon Midlands*** and **Saga** met with renewed interest, the former improving 11 to 254p and the latter advancing 12 to 191p. **Associated Leisure** and **Coral Leisur** added 3 apiece to 101½p and 122p respectively, while **Ladbroke** firmed 5 to 230p.

The preliminary results of **T. C. Harrison** pleased the market and on the extra fillip of a proposed 100 per cent scrip issue, the shares spurted 15 to 147p. **Hartwells** put on 7 at 140p and buyers also came in for **Lex Service**, 1½ better at 110½p, **Lookers** rose 5 to 68p, while **Harold Perry**, due to announce final results today, firmed 2 to 179p. Among firm Components, **Dunlop**, 75p, and **Lucas**, 303p, added 3 apiece, while **Dowty** improved 4 more for a two-day gain of 22 at 335p.

News International continued to benefit from the proposed 1-for-1 scrip issue announced on Tuesday, rising 10 more for a two-day gain of 25 at 378p. Other Newspapers were also wanted, **Pearson Longman** adding 7 at 254p, **United** 5 at 393p, and **Daily Mail A** a similar amount at 468p. Speculative support lifted **Associated Book Publishers** 5 to 347p, while **William Collins** issues advanced 5 and 6 respectively to 153p and 162p. **More O'Ferrall** put on 6 to close at 133p; the annual results are due on Tuesday week.

In Properties, the emphasis switched from the leaders to selected secondary issues where stock shortage exaggerated gains. Rises of around 20 were scored by **Imry**, 632p, **Property and Reversionary A**, 410p, and **Property Holding and Investment**, 390p, while **Bernard Sunley** put on 13 to 350p as bid hopes revived. **Mountview Estates** added 7 to 135p on increased specuative interest and **Trafford Park Estates** firmed 5 put on 6 to 172p.

Leading Oils firm

Leading Oils moved higher again in a reasonable trade with the reluctance of sellers contributing to the tone. **British Petroleum** firmed 10 to a peak of 1224p and **Shell** hardened 4 to 788p. Secondary issues however, closed with small losses.

Increased hopes that the bid for Suits will succeed helped **Lonrho** rise 3 to 82p. A good trade was seen in **Thomas Borthwick**, 4 up at 96p, but **Inchcape** eased 3 to 304p following reduced profits from their Malaysian subsidiary.

Trusts again displayed a firm appearance with rises to 6. Demand was seen for **Edinburgh American Assets 8 per cent Convertible 1973/98**, which firmed 8 points to close at £250. Among Financials, **London and European** jumped 5 to 37p on the sharply increased profits, while **S. Pearson** were again good, finishing 8 higher at 282p.

P & O, due to report final results on Wednesday, firmed 3 to 85p, while revived bid speculation lifted **Milford Docks** 7 at 162p.

Bats issues remained firm, the Ordinary closing 5 better at 325p and the Deferred 3 up at 303p. **Siemssen Hunter** met with profit-taking, however, following Tuesday's results and eased 2 to 65p.

Plantations encountered a more active session than of late, although interest was generally confined to secondary issues. London interest in the wake of early Eastern buying lifted **Bertams** 15 to 177p, and **Jitra** a like amount to 68p.

UK Mines up again

The continued strength of the UK equity market encouraged further support for London-registered mining Financials. New highs for 1979 were seen in **Rio Tinto Zinc**, 10 better at 344p for a three-day gain of 20, and **Gold Fields**, 8 firmer at 252p, while **Selection Trust** advanced 20 to 566p. **Charter Consolidated** put on 6 to 172p.

South African Golds moved ahead for the third successive day in the wake of the firmer bullion price. Investment premium and Financial Rand, although activity in the share market was again fairly quiet.

The Gold Mines index rose 4.4 to 151.6 and the ex-premium index put on 2.3 to 120.2. Heavyweights such as **Hartebeest**, £13¾, and **West Driefontein**, £20, showed improvements of almost a point while medium and lower priced stocks to register substantial gains included **Kloof**, 31 higher at 805p and **East Proprietary** 22 to the good at 273p.

South African Financials fared equally well with rises of 12 common to **Anglo American**, 358p, and **Union Corporation**, 350p. **De Beers** closed 8 better at 388p in front of the annual report and chairman's statement which is expected to be published on Friday.

Platinums made good progress amid rumours of imminent rises in the producer prices charged by Impala and Rustenburg. **Impala** shares climed 6 more to 192p while those of **Rustenburg** hardened 2 to 130p.

Coppers were again featured by **Messina**, which advanced 8 more to a year's high of 108p. **Palabora**, on the other hand, gave up 15 to 550p, as Johannesburg selling followed the dividend announcement.

Hopes that completion of the one-man one-vote elections in Rhodesia will encourage acceptance of the internal settlement prompted modest gains in **Falcon Mines**, 5 up at 216p, and **Wankie**, 4 better at a 1979 high of 44p.

FINANCIAL TIMES STOCK INDICES

—	April 25	April 24	April 23	April 20	April 19	April 18	A year ago
Government Secs.	74.85	75.04	74.70	74.65	74.54	74.92	71.24
Fixed Interest	76.75	77.00	76.76	76.85	76.78	77.00	74.47
Industrial	552.7	547.0	536.0	538.7	530.2	534.4	457.8
Gold Mines	151.6	147.2	141.6	140.1	140.9	137.2	141.4
Gold Mines(Ex-$ pm)	120.2	117.9	114.7	114.6	116.2	112.1	96.9
Ord. Div. Yield	5.26	5.31	5.42	5.40	5.46	5.42	5.87
Earnings, Yld. % (full)	14.09	14.25	14.51	14.47	14.60	14.48	17.45
P/E Ratio (net) (*)	9.09	9.01	8.83	8.86	8.81	8.89	7.70
Dealings marked	5,620	5,632	5,045	4,182	4,341	5,929	5,110
Equity turnover £m.	—	126.04	104.26	115.05	103.24	78.42	66.78
Equity bargains total	—	20,352	18,278	11,784	16,282	14,924	14,098

10 am 547.6. 11 am 550.8. Noon 549.2. 1 pm 549.3. 2 pm 549.2. 3 pm 549.9.

Latest Index 01-246 8026.

* Nil = 8.74.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. Ex. $ premium index started June, 1972. SE Activity July-Dec. 1942.

HIGHS AND LOWS

—	1979 High	1979 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	75.84 (12/4)	64.64 (8/2)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	77.34 (17/4)	65.03 (13/2)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	542.7 (25/4)	446.1 (12/2)	552.7 (25/4/79)	49.4 (26/6/40)
Gold Mines	185.8 (8/2)	129.9 (17/4)	442.3 (22/5/75)	43.5 (26/10/71)
Gold Mines $ (Ex-pm)	125.6 (26/3)	95.2 (12/1)	337.1 (3/4/74)	54.3 (25/6/76)

S.E. ACTIVITY

	April 25	April 24
—Daily		
Gilt Edged	92.8	90.0
Industrials	214.7	213.5
Speculative	45.6	42.8
Totals	127.9	128.2
5-d'y Av'r'ge		
Gilt Edged	92.2	92.9
Industrials	187.8	173.6
Speculative	39.7	36.7
Totals	115.0	105.3

LONDON TRADED OPTIONS

Option	Ex'rc'se price	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Jan. Closing offer	Jan. Vol.	Equity close
BP	1100	206	1	222	—	266	—	1222p
BP	1200	128	8	152	—	—	—	"
BP	1300	56	14	100	—	—	—	"
Com. Union	160	32	15	37	14	41	—	182p
Com. Union	180	18	74	24	—	28	—	"
Cons. Gold	180	77	—	83	5	—	—	250p
Cons. Gold	200	57	10	64	—	—	—	"
Cons. Gold	220	39	39	50	1	62	—	"
Cons. Gold	240	23½	118	33	—	49	—	"
Courtaulds	110	10	16	14	—	17	3	110p
Courtaulds	120	6	110	9	10	—	—	"
Courtaulds	130	3	13	—	—	—	—	"
GEC	360	96	—	110	1	—	—	432p
GEC	390	68	10	85	—	100	—	"
GEC	420	46	16	66	5	85	—	"
Grand Met.	140	42½	36	44½	—	—	—	175p
Grand Met.	160	29	10	32½	—	35½	—	"
Grand Met.	180	16	27	21½	—	25½	1	"
ICI	390	40	57	51	—	58	—	409p
ICI	420	20	15	33	—	43	—	"
Land Secs	280	46	10	56	1	66	—	307p
Land Secs	300	31	89	44	8	56	—	"
Marks & Sp.	100	38	4	40	—	—	—	130p
Marks & Sp.	110	30	19	32	—	40	—	"
Marks & Sp.	120	21	5	26	—	32	1	"
Marks & Sp.	130	15	79	21	—	26	—	"
Shell	750	67	8	110	3	147	—	788p
Shell	800	57	55	75	—	115	—	"
Total			806		47		5	
		May		**August**		**November**		
BOC Intl.	70	7½	—	12	3	15½	—	75p
BOC Intl.	80	3½	20	7	21	9	—	"
Boots	220	20	86	29	9	38	1	234p
Boots	240	8½	70	19	4	25	—	"
Boots	260	4	29	—	—	—	—	"
EMI	120	19	35	28	—	35	12	136p
EMI	130	2	6	25	—	30	—	"
EMI	140	8	64	16	—	24	1	"
EMI	160	2	12	7	—	—	—	"
Imperial GP	110	6¼	45	11	49	13½	10	107p
RTZ	280	63	32	81	—	108	—	342p
RTZ	300	44	—	68	15	89	—	"
RTZ	330	24	128	46	65	66	18	"
Totals			545		166		42	

NEW HIGHS AND LOWS FOR 1979

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1979.

NEW HIGHS (372)

CORPORATION LOANS (1)
COMMONWEALTH & AFRICAN LOANS (2)
FOREIGN BONDS (1)
AMERICANS (1)
BANKS (8)
BEERS (3)
BUILDINGS (19)
CHEMICALS (3)
DRAPERY & STORES (38)
ELECTRICALS (12)
ENGINEERING (35)
FOODS (10)
HOTELS (4)
INDUSTRIALS (52)
INSURANCE (8)
LEISURE (2)
MOTORS (6)
NEWSPAPERS (9)
PAPER & PRINTING (10)
PROPERTY (30)
SHIPPING (5)
TEXTILES (3)
TOBACCOS (1)
TRUSTS (80)
OILS (5)
OVERSEAS TRADERS (1)
RUBBERS (2)
TEAS (1)
MINES (7)

NEW LOWS (2)

BUILDINGS (1)
Brownlee
MINES (1)
Burma Mines

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	[illegible]	[illegible]	[illegible]
Corpns. Dom. and Foreign Bonds	[illegible]	[illegible]	[illegible]
Industrials	[illegible]	[illegible]	[illegible]
Financial and Prop.	[illegible]	[illegible]	[illegible]
Oils	[illegible]	[illegible]	[illegible]
Plantation	[illegible]	[illegible]	[illegible]
Mines	[illegible]	[illegible]	[illegible]
Others	[illegible]	[illegible]	[illegible]
Totals	1,064	[illegible]	[illegible]

OPTIONS

DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Apr. 18	Apr. 30	Jul. 12	Jul. 24
May 1	May 14	Jul. 26	Aug. 7
May 15	May 29	Aug. 9	Aug. 21

For rate indications see end of Share Information Service

A good demand was again seen in the options market with calls dealt in UDT, Barker and Dobson, Courtaulds, Marks and Spencer, Racal, Town and City, Fitch Lovell, Lonrho, Tesco, Erskine House, Furness Withy, F.N.F.C., Lee Cooper, Capital and Counties, William Press, Amber Day, Westland Aircraft, BOC, Cadbury Schweppes, Wagon Finance, Grand Metropolitan, Christie-Tyler, Norfolk Capital, Hartwells, Burmah, Culter Guard Bridge, Sellncourt and Spillers. A put was reported in Barclays Bank, while doubles were arranged in Courtaulds, Gosforth Eng., Lasmo, Silvermines and Marks and Spencer.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1979 high	1979 low
RTZ	25p	13	344	+10	344	226
Midland Bank	£1	12	445	+13	445	348
Shell Transport	25p	12	788	+ 4	788	556
BP	£1	11	1,224	+10	1,224	882
ICI	£1	10	410	+ 3	410	346
Barclays Bank	£1	9	495	+10	495	360
Foseco Minsep	25p	9	185	+10	185	148
GEC	25p	9	432	+ 5	433	311
Marks & Spencer	25p	9	129	—	131	83
NatWest Bank	£1	8	385	+13	385	278
BTR	25p	7	495	+19	500	329
Beecham	25p	7	730	+13	755	592
Boots	25p	7	234	− 4	238	184
Debenhams	25p	7	96	—	97	78
Hepworth Ceramic	25p	7	122	+ 4	122	74½

RECENT ISSUES

EQUITIES

Issue Price p‡	Amount Paid Up	Latest Renunc. Date	1979 High	1979 Low	Stock	Closing Price p	+ or −	Div. P. or Amount	Times Covered	Gross Yield	P.E. Ratio
495	F.P.	—	194	150	††Appl. Computer	175	+7	0.7	11.0	0.6	21.6
[illegible]	F.P.	[illegible]	57½	42½	Bank Bridge 10p	57½	+1½	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Caledonian Hldgs.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	16/2	170	118	Hunting Assoc. Defd.	170	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST STOCKS

Issue Price £	Amount Paid Up	Latest Renunc. Date	1979 High	1979 Low	Stock	Closing Price £	+ or −
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Cleveland (County of) Var. Rate 1984	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Eng. Assoc. Sterling Fd. Part. Red. Prf.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Grant (James) 10¼% Pref.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	How'rd Wyndh'm 9% Cnv. Cum. Red. Prf.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	ICFC 13½% Uns Ln 1992	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Lee Valley Water 9% Red. Prf. 1986	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Lyles (S.) 11% Cum. Pref.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	MEPC 6½% Conv. Uns. Ln. 1995-2000	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Slough Est. 8% Cnv. 1991-94	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Tricoville 10¼% Pref.	[illegible]	[illegible]

"RIGHTS" OFFERS

Issue Price p	Amount Paid Up	Latest Renunc. Date	1979 High	1979 Low	Stock	Closing Price p	+ or −
200c	Nil	[illegible]	[illegible]	[illegible]	Abercom Invs.	[illegible]	[illegible]
12	Nil	[illegible]	[illegible]	[illegible]	Assoc. Sprayers	[illegible]	[illegible]
185	Nil	[illegible]	[illegible]	[illegible]	Beatson Clark	[illegible]	[illegible]
115	Nil	[illegible]	[illegible]	[illegible]	Brammer (H.)	[illegible]	[illegible]
60	F.P.	[illegible]	[illegible]	[illegible]	Buroo Dean	[illegible]	[illegible]
20	Nil	[illegible]	[illegible]	[illegible]	Crest Nicholson	[illegible]	[illegible]
26½	Nil	[illegible]	[illegible]	[illegible]	Davis & Metcalfe 'A'	[illegible]	[illegible]
33	F.P.	[illegible]	[illegible]	[illegible]	Hirst & Mallinson	[illegible]	[illegible]
185	F.P.	[illegible]	[illegible]	[illegible]	Johnson Matthey	[illegible]	[illegible]
5p	Nil	[illegible]	[illegible]	[illegible]	Maddock	[illegible]	[illegible]
54	F.P.	[illegible]	[illegible]	[illegible]	Norfolk Cap. Hotels	[illegible]	[illegible]
44	Nil	[illegible]	[illegible]	[illegible]	Park Place Invs.	[illegible]	[illegible]
20	Nil	[illegible]	[illegible]	[illegible]	Single Holdings	[illegible]	[illegible]
100	Nil	[illegible]	[illegible]	[illegible]	Unicorn Inds.	[illegible]	[illegible]

Renunciation date usually last day for dealing free of stamp duty. [illegible]

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS

Figures in parentheses show number of stocks per section

	Group	Wed., April 25, 1979: Index No., Day's Change %, Est. Earnings Yield % (Max.), Gross Div. Yield % (ACT at 33%), Est. P/E Ratio (Net); Tues. April 24; Mon. April 23; Fri. April 20; Thurs. April 19; Year ago (approx.)
1	CAPITAL GOODS (172)	[illegible]
2	Building Materials (27)	[illegible]
3	Contracting, Construction (28)	[illegible]
4	Electricals (14)	[illegible]
5	Engineering Contractors (12)	[illegible]
6	Mechanical Engineering (75)	[illegible]
8	Metals and Metal Forming (16)	[illegible]
11	CONSUMER GOODS (DURABLE)(53)	[illegible]
12	Lt. Electronics, Radio, TV (16)	[illegible]
13	Household Goods (12)	[illegible]
14	Motors and Distributors (25)	[illegible]
21	CONSUMER GOODS (NON-DURABLE)(170)	[illegible]
22	Breweries (14)	[illegible]
23	Wines and Spirits (6)	[illegible]
24	Entertainment, Catering (17)	[illegible]
25	Food Manufacturing (19)	[illegible]
26	Food Retailing (15)	[illegible]
32	Newspapers, Publishing (12)	[illegible]
33	Packaging and Paper (15)	[illegible]
34	Stores (40)	[illegible]
35	Textiles (23)	[illegible]
36	Tobaccos (3)	[illegible]
37	Toys and Games (6)	[illegible]
41	OTHER GROUPS (99)	[illegible]
42	Chemicals (18)	[illegible]
43	Pharmaceutical Products (7)	[illegible]
44	Office Equipment (6)	[illegible]
45	Shipping (10)	[illegible]
46	Miscellaneous (58)	[illegible]
49	INDUSTRIAL GROUP (494)	[illegible]
51	Oils (6)	[illegible]
59	500 SHARE INDEX	[illegible]
61	FINANCIAL GROUP (115)	[illegible]
62	Banks (6)	[illegible]
63	Discount Houses (10)	[illegible]
64	Hire Purchase (5)	[illegible]
65	Insurance (Life) (10)	[illegible]
66	Insurance (Composite) (8)	[illegible]
67	Insurance Brokers (10)	[illegible]
68	Merchant Banks (14)	[illegible]
69	Property (42)	[illegible]
70	Miscellaneous (10)	[illegible]
71	Investment Trusts (111)	[illegible]
81	Mining Finance (4)	[illegible]
91	Overseas Traders (20)	[illegible]
99	ALL-SHARE INDEX (750)	[illegible]

FIXED INTEREST PRICE INDICES

	British Government	Wed. April 25	Day's change %	xd adj. today	xd adj. 1979 to date
1	Under 5 years	107.55	−0.16	—	3.01
2	5-15 years	122.16	−0.20	—	2.90
3	Over 15 years	127.90	−0.23	—	4.95
4	Irredeemables	136.48	−3.22	—	1.78
5	All stocks	118.22	−0.26	—	3.66

FIXED INTEREST YIELDS Br. Govt. Av. Gross Red.

			Wed. April 25	Tues. April 24	Year ago (approx.)
1	Low Coupons	5 years	[illegible]	[illegible]	[illegible]
2		15 years	[illegible]	[illegible]	[illegible]
3		25 years	[illegible]	[illegible]	[illegible]
4	Medium Coupons	5 years	[illegible]	[illegible]	[illegible]
5		15 years	[illegible]	[illegible]	[illegible]
6		25 years	[illegible]	[illegible]	[illegible]
7	High Coupons	5 years	[illegible]	[illegible]	[illegible]
8		15 years	[illegible]	[illegible]	[illegible]
9		25 years	[illegible]	[illegible]	[illegible]
10	Irredeemables		[illegible]	[illegible]	[illegible]

		Wed., April 25 Index No.	Yield %	Tues. April 24	Mon. April 23	Fri. April 20	Thurs. April 19	Wed. April 18	Tues. April 17	Thurs. April 12	Year ago (approx.)
15	20-yr. Red. Deb & Loans (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
16	Investment Trust Prefs. (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
17	Coml. and Indl. Prefs. (20)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

† Redemption yield. Highs and lows record, base dates and values and constituent changes are published in Saturday issues. A list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 22p.

LEADERS AND LAGGARDS

The following table shows the percentage changes† which have taken place since December 29, 1978, in the principal equity sections of the FT Actuaries Share Indices. It also contains the Gold Mines Index.

Stores	+40.84
Food Retailing	+38.77
Mining Finance	+38.70
Entertainment and Catering	+37.11
Oils	+36.52
Property	+33.68
Insurance (Life)	+31.92
Merchant Banks	+31.09
Electronics, Radio and TV	+30.85
Newspapers and Publishing	+29.41
Banks	+28.59
Breweries	+28.31
Building Materials	+27.84
Consumer Goods (Non-Dur.) Group	+27.05
Financial Group	+26.42
Overseas Traders	+26.18
Electricals	+25.33
All-Share Index	+25.08
500-Share Index	+24.77
Insurance (Composite)	+24.64
Discount Houses	+23.15
Industrial Group	+22.61
Hire Purchase	+22.34
Consumer Goods (Durable) Group	+21.55
Investment Trusts	+20.83
Capital Goods Group	+20.37
Contracting and Construction	+19.21
Wines and Spirits	+18.66
Engineering Contractors	+17.76
Other Groups	+17.51
Tobaccos	+17.37
Metal and Metal Forming	+17.08
Chemicals	+16.08
Food Manufacturing	+15.31
Packaging and Paper	+14.81
Office Equipment	+14.72
Shipping	+13.03
Mechanical Engineering	+12.99
Pharmaceutical Products	+11.05
Motors and Distributors	+ 8.26
Insurance Brokers	+ 6.38
Household Goods	+ 5.89
Gold Mines F.T.	+ 4.03
Textiles	+ 2.88
Toys and Games	− 0.46

† Perce[illegible] indices.

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AUTHORISED UNIT TRUSTS

INSURANCE AND PROPERTY BONDS

OFFSHORE AND OVERSEAS FUNDS

NOTES

Prices do not include $ premium, except where indicated ♦, and are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ♥ Net of tax on realised capital gains unless indicated by ♦. ¶ Guernsey gross. # Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies.

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

INTERNATIONAL BANK

CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

1979 High	Low	Stock	Price £	+ or −	Div. % Gross	Red. Yield
23	22	Antofagasta Rly....	22	......	—	—
40	39	Do. 5pc Pref.......	40	......	—	—
98	98	Chilean Mixed......	98	......	—	13.10

BONDS & RAILS—Cont.

U.S. $ & DM prices exclude inv. $ premium

AMERICANS

S.E. List Premium 26¼% (based on US$2.0475 per £)

Conversion factor 0.7930 (0.8009)

CANADIANS

S.E. List Premium 26% (based on $2.3323 per £)

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BANKS & HP—Continued

Hire Purchase, etc.

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ELECTRICAL AND RADIO

ENGINEERING MACHINE TOOLS

ENGINEERING—Continued

FOOD, GROCERIES, ETC.

FOOD, GROCERIES—Cont.

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INDUSTRIALS (Miscel.)

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EASTERN RAND

FAR WEST RAND

O.F.S.

FINANCE

DIAMOND AND PLATINUM

CENTRAL AFRICAN

MINES—Continued

AUSTRALIAN

TINS

COPPER

1979 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
108	56	Messina R0.50	108	+8	—	—	—

MISCELLANEOUS

1979 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
74	54	Barymin	62	......	—	—	—
13½	10	Burma Mines 17½p	10	−1	—	—	—
345	170	Cons. Murch. 10c.	260	......	—	—	—
410	340	Northgate C$1	370	+5	—	—	—
344	226	R.T.Z.	344	+10	11.5	2.6	5.1
65	40	Sabina Inds. C$1	44	......	—	—	—
880	687	Tara Expln. $1	775	+32	—	—	—

GOLDS EX-$ PREMIUM

London quotations for selected South African gold mining shares in U.S. currency excluding the investment dollar premium. These prices are available only to non-UK residents.

1979 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
$13¾	$10½	Buffels R1	$12½	......	Q190c	◆	17.5
$11¼	890c	East Drie R1	$10½	+¼	Q115c	1.6	12.6
470c	350c	East Rand Prp. R1	425c	+10	Q10c	—	2.8
$24¼	$18¾	F.S. Geduld 50c	$23⅝	+¼	†Q315c	2.4	15.6
$14¾	$11⅛	Pres. Brand 50c	$14¾	......	†Q150c	3.2	11.9
$14⅛	$10¼	St. Helena R1	$12⅝	+⅛	Q190c	1.4	17.3
595c	407c	Stilfontein 50c	565c	+5	Q66c	◆	13.4
$24¼	$18¼	Vaal Reefs 50c	$23⅝	+¼	Q280c	2.7	13.6
$35¼	$28¾	West Drie R1	$32½	+⅛	†Q385c	1.7	13.6
$30⅝	$22¼	West Hldgs. 50c	$30⅝	+⅛	†Q415c	1.4	15.9
$13	$10⅜	Western Deep R2	$11½	+⅛	Q147½c	2.1	14.7

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross, adjusted to ACT of 33 per cent. and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- ▲ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ◆ Figures or report awaited.
- †† Unlisted security.
- ¢ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ◆ Merger bid or reorganisation in progress.
- ‡ Not comparable.
- ◆ Same interim; reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ¥ Excluding a final dividend declaration.
- ♠ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1978-79. K Figures based on prospectus or other official estimates for 1978. M Dividend and yield based on prospectus or other official estimates for 1978. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. Q Gross. T Figures assumed. Z Dividend total to date. ¶¶ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 40

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REGIONAL MARKETS

IRISH

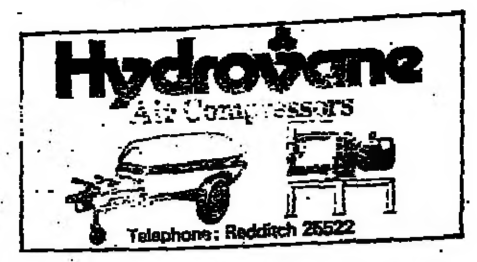
OPTIONS

3-month Call Rates

A selection of Options traded is given on the London Stock Exchange Report page

FINANCIAL TIMES

Thursday April 26 1979



Ford will re-think Europe plans

BY LISA WOOD

FORD OF EUROPE is reconsidering former plans to expand production at its assembly plants at Saarlouis, West Germany, and the Almusafes plant in Spain.

On Tuesday Ford suddenly announced that it had abandoned plans to build a $650m car assembly plant in Europe.

France and Austria had been the two main contenders for the proposed development. Their Governments were told of Ford's decision a matter of a few hours before Ford made a formal statement on it.

The company said that instead, as a first step, it intended to expand some of its assembly plants in Europe.

It said that no decision had yet been made on the precise location of the plants to be expanded.

Yesterday Ford said that previous plans to raise the capacity of the Saarlouis and Almusafes plants "must figure amongst the number of options possible.

"But the indications are that we still have a lot of work to do before any firm decisions on the precise locations can be made. This will be a matter of months rather than weeks."

The project for expanding Ford's European capacity emerged last year after the company predicted a 3 per cent annual growth over the next five years for the car sector.

On this projection Ford would have had a notional production shortfall of 750 units a day by 1983, after which it would increase by 300 units a day for each succeeding year.

Ford drew up three options, a new plant in a "greenfield country" where there was no Ford manufacturing presence; spending $250m on raising the capacity of the Saarlouis plant; or expanding production in Spain.

With the first option scrapped, the company may fall back upon the other two projects.

The UK is highly unlikely to be considered for further expansion of Ford assembly plants. Ford has said its assembly capacity in the UK is under-utilised. It already has a plan for a £1bn investment programme there.

Reaction from France yesterday at Ford's decision was fairly muted.

It seems probable that the French Government will give the go-ahead to a plant by the two national motor companies, Renault and PSA Peugeot-Citroen, for a plant creating 6,200 jobs in Lorraine.

In Austria the decision is regarded as a setback for the ruling Socialists on the eve of a General Election. They had hoped that success in winning the new Ford plant for Austria would be a political windfall.

Ford assembly plant decision, Page 2

Morecambe gas field study contracts awarded

BY SUE CAMERON

BRITAIN'S first venture into the UK sector of the Irish Sea was marked yesterday with the announcement that the British Gas Corporation had awarded contracts for feasibility studies of the Morecambe gas field.

A contract thought to be worth more than £100,000 has been won by Redpath Offshore Design Associates, a UK-based group in which British Steel has a 50 per cent interest.

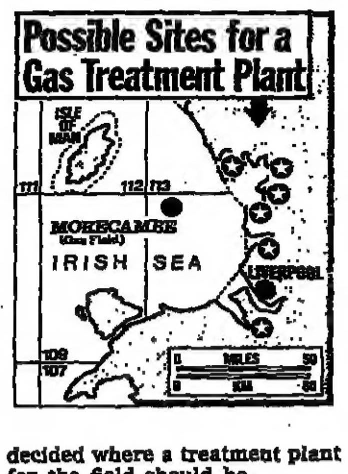
It is understood that a similar feasibility study contract has been awarded to Brown and Root. Development of the Morecambe field is expected to start in earnest next year.

This field, with reserves of between 2bn and 3bn cu ft of gas, is medium-sized and far smaller than the Frigg Field in the southern North Sea. It is in water only 100 ft deep, shallower than its North Sea equivalent. Some of its production platforms will probably be visible from the front at Blackpool.

Gas was discovered in the field in 1974, but it was not until last year, after further appraisal wells had been drilled, that British Gas announced its intention of developing Morecambe. It will be the first field in which British Gas, which has 100 per cent stake, is the operator.

Several steel-jacketed platforms are expected to be used to produce the gas, which will be taken ashore by pipeline.

But British Gas has not yet decided where a treatment plant for the field should be.



It is looking at six sites along the North-West coast between Barrow-in-Furness and Shotton.

Redpath Offshore Design Associates said that its feasibility study would include examination of drilling methods, platform design, processes and gas compression.

It will look at gas re-injection systems both for storage and to improve extraction.

RODA added that it would assess the possible effects of gas recovery on Irish Sea shipping lanes and on marine life. The field, 100 sq miles, is 23 miles west of Fleetwood.

The company, given only 12 weeks to complete its study, has started work on its recommendations, and expects to make its final report in June.

It is thought that if development work begins next year the field will come on stream in about five years.

British Gas refused to estimate the total development costs of the Morecambe field, but said it would cost several hundred million pounds.

The corporation, with a profit of £180.3m last year, vigorously denied suggestions that it had started work on the field now to frustrate any attempts by a future Conservative Government to hive off sections of British Gas.

RODA, set up in June last year, is 15 per cent owned by the French Technip Geoproduction, 35 per cent by the U.S. Lowell Johnston and Associates of Oklahoma, and 50 per cent by Redpath Dorman Long, British Steel's wholly-owned construction and engineering subsidiary.

The Morecambe field study is the first big contract RODA has won since its formation. The feasibility contract was awarded by Hydrocarbons Great Britain, a wholly-owned subsidiary of British Gas.

The company has a yard at Methil, Fife, and it is thought that if it wins contracts for all or part of the Morecambe development steel-jacket platforms will be fabricated at Methil and towed round the North of Scotland to Morecambe.

Abbey to open Brussels office

BY MICHAEL CASSELL

ABBEY NATIONAL is to open a representative office in Brussels next week, making it, according to Mr Clive Thornton, chief general manager, the first British building society to move on to the Continent.

The move is expected to be followed by other societies as they prepare to do business in Europe.

For the time being, the Abbey—Britain's second largest society with assets worth over £6.25bn — and its competitors cannot take in funds and arrange mortgages because of UK law and EEC restrictions on the transaction of savings and loan arrangements within the Community.

But the potential savings and loan market in Europe is immense and the societies believe they have an excellent chance of penetrating it once the restrictions are removed.

Mr. Thornton said: "We have become increasingly worried that decisions are being taken in Brussels which have far-reaching consequences for our industry.

"However well intentioned we are over here, we must be aware of these decisions and help to play a part in shaping policies as they affect us."

Mr. Thornton said that over the next four years, moves would be made to implement the EEC First Directive regarding the free establishment of financial institutions throughout the EEC.

The UK building society industry would have a lot to offer once this happened although he emphasised that the funds of his investors would continue to be used to finance house purchase in the UK.

The Abbey's Brussels office will monitor housing developments and trends in Europe, as well as the overall credit institutional scene. It will also provide services to any of the 20,000 UK nationals in Brussels seeking assistance on property in the UK.

The Abbey has so far made a detailed examination of the savings and loan markets in Belgium and West Germany and is now conducting similar studies in France and Holland.

The Building Societies' Association said that potential business in Europe was "a high priority" for the UK industry.

It wanted the Government to change legislation covering building societies to enable them to operate overseas, although it recognised official concern over exchange control and currency movement difficulties.

Freight group seeks surcharge

BY IAN HARGREAVES, TRANSPORT CORRESPONDENT

THE National Freight Corporation is to ask the Price Commission for permission to impose a fuel surcharge on its customers.

The state road transport group, which is one of the main candidates for at least partial de-nationalisation under a Conservative government, yesterday reported a record trading profit of £10.6m in 1978 and its first net profit for five years. It said that fuel price increases on the way would cost it £2.5m this year.

It will ask the Price Commission in the next few days to allow it automatically to raise its prices as fuel costs go up.

Initially the surcharge would be between 1 and 2 per cent, with a further 0.3 per cent for every further 1p a gallon rise in the cost of fuel.

Some private sector hauliers, who do not have to go to the Price Commission, have imposed surcharges, but the commission's decision on the NFC application will probably set the trend in the industry.

The corporation recently received permission to raise its prices by between 10 and 20 per cent because of the £30m pay settlement after the road haulage strike.

The strike cost NFC £6.5m, even though only a tenth of its drivers were directly involved, but Mr. Robert Lawrence, the corporation's chairman, said yesterday that the ground could be made up this year.

The cash position would be helped by more sales of property and land. Disposals this year and next are expected to raise between £4m and £6m.

Mr. Lawrence, a career railwayman who succeeded Sir Daniel Pettit as chairman of the corporation in January, said he hoped the Tory manifesto commitment to sell part of the NFC to the private sector would not mean disposing entirely of sections of the business.

"My interpretation is that it means some shares in NFC as a whole will be held by the public," he said. "We are something worthy of examination by the stock market." The financial prospects would look much better in another two years.

By 1980, Mr. Lawrence forecast, the corporation would be achieving at least an 8 per cent margin of profit over revenue—the level deemed necessary to fund capital replacement and keep the corporation financially stable in poor years—against 5 per cent last year.

The NFC has provided for a loss of £258,000 on its contracts in Iran, now virtually abandoned. Mr. Lawrence said the group was looking at ventures in the Arab world.

The corporation also disclosed yesterday that it had rejected an offer from Tolemans, a private Midlands company, for its Cartransport subsidiary. Talks had been going on for some time.

In 1977, after substantial losses the previous year Cartransport lost £1 1m. During 1978 a change of management and a big cut in the number of transporters and staff coupled with a good domestic market, produced a company profit of £100,000. Rationalisation and rebuilding are continuing.

Details Page 12

Warships worth £346m ordered

By Michael Donne, Defence Correspondent

ORDERS for four new warships, worth a total of £346m, were announced by the Ministry of Defence yesterday.

The orders were foreshadowed in this year's Defence White Paper, and are part of the long-term programme for modernising the Navy.

Two new Sheffield Class Type 42 destroyers will be built, costing about £157m in all. One will be built by Cammell Laird Shipbuilders, Birkenhead, and the other by Swan Hunter Shipbuilders at Wallsend. They will be the thirteenth and fourteenth of the Class.

Two Type 22 Broadsword Class frigates have also been ordered, costing in all £189m. Both will be built by Yarrow (Shipbuilders), and will be the fifth and sixth of this Class for the Navy.

Yarrow has built all four of the Type 22s ordered hitherto, one having already been delivered to the Navy, with the other three under construction.

The Type 42 destroyers will each displace 3,500 tons, and will be equipped with Sea Dart ship-to-air and ship-to-ship guided missiles, a rapid-fire 4.5 inch gun and an anti-submarine Lynx helicopter.

The Type 22 frigates will each displace 4,500 tons, and be equipped with Exocet ship-to-ship and Seawolf ship-to-air missiles, and a Lynx helicopter.

All four vessels will be powered by Rolls-Royce marine gas turbine engines.

Mid-east peace treaty signed

By David Lennon in Tel Aviv

EGYPT AND ISRAEL yesterday signed a peace treaty ending 31 years of warfare, after arguing for two hours over which documents they should exchange at the symbolic ratification ceremony in Sinai.

Exchanging the instruments of ratification was to have been a purely ceremonial affair making the peace agreement legal and binding. But it symbolised the bickering which frequently marked the 16 months of negotiations which preceded the agreement.

Completion of the ceremony signalled the start of the countdown for the beginning of Israeli withdrawal from Sinai and the development of normal relations between the two former enemies.

The first step will be the handing over of the north Sinai town of El Arish to Egypt late next month. This will be followed by the opening of the border between the two countries. After nine months Israel will complete the withdrawal to a new interim line in the peninsula. One month after that, the two countries are due to exchange ambassadors.

The choice of the American early-warning station at Um Hashiba in the Sinai buffer zone for the ceremony proved fortunate as the U.S. ambassadors to Egypt and Israel were at hand to mediate in the last-minute dispute.

The delay stemmed from an Israeli attempt to exclude the joint Egypt-Israel letter on the future of the occupied West Bank and Gaza Strip from the papers being exchanged.

Israel Radio reported that Egypt tried to alter the wording of the letter which states that the two countries will start talks on the future of these occupied territories in one month.

Israel argued that Palestinian self-rule is a separate issue from Egypt-Israel peace and that therefore the letter did not have to be included in the exchange—although it was among those documents signed in Washington last month.

Two hours and 20 minutes behind schedule, agreement having apparently been reached, the ceremony began. Flags were hoisted, Israeli and Egyptian guards of honour snapped to attention and representatives of the three sides delivered prepared speeches which made no allusion to the last-minute hitch.

They all spoke of the continued quest for a comprehensive peace settlement in the region and appealed to other Arab States to join in the peace talks.

THE LEX COLUMN

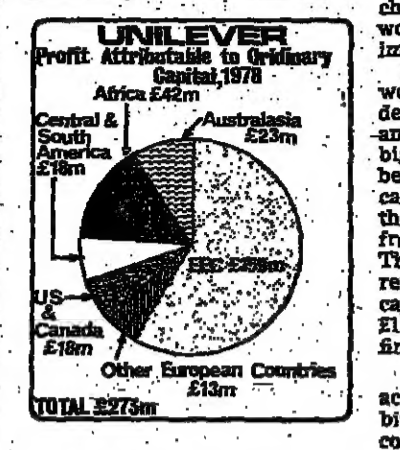
Loss elimination at Spillers

Spillers' recovery from pre-tax profits of £8.49m to £14.73m for the year to February has to be viewed in the light of the fact that its profits for 1977-78, but for the losses of the now abandoned bread baking operation, would have been around £18.2m. Bread baking losses still affected the first quarter of 1978-79, to an extent variously quantified as £3.5m in the interim statement and £2.5m in the preliminary statement "after offsetting the milling profit." Moreover, Spillers says that the haulage strike in January cost at least £1m (much of this, however, being recouped in the new financial year). The conclusion must be that although the running sore of bread baking has been successfully removed, the health of the remainder of Spillers' corporate body has scarcely improved yet.

The group claims organic growth in all areas except milling, but in the absence of any divisional breakdowns it is hard to assess the trends. It would appear that grocery products and the Mario and Franco restaurants chain have performed well, but milling has had to cope with a 12 per cent drop in volume while the agricultural side has needed re-organising. As for Spillers' U.S. acquisition Modern Maid, there are ominous signs of trouble. The new factory has run into delays, the management has required strengthening, and profit targets have been missed although here, as elsewhere, no figures are forthcoming.

This year, in the absence of the residual bread losses, Spillers ought to be able to push pre-tax profits up to the £30m region. This should allow the dividend to be restored fully, raising the yield at 47½p from 6.6 to 9.1 per cent. But the takeover possibilities appear to be slight: Spillers has just checked the real identities of its nominee shareholders, and none have a holding larger than 2 per cent.

Index rose 5.7 to 552.7



Unilever

As one of the top dozen companies in the world in terms of sales, and the largest consumer goods company, Unilever is one of those bell-wethers of the world economy. So its slightly more cautious view of the outlook for European growth needs to be taken seriously.

When the annual report went to press a couple of months ago the group was expecting a "slightly higher" rate of European growth in 1979. But at yesterday's Press conference, on the publication of the report, the group was saying that it believed higher oil prices would hold European economic growth back to much the same as last year—around the 3 per cent mark.

Even so 3 per cent growth is not bad for a company that claims to be increasing its worldwide productivity by 4 per cent per annum. Group pre-tax profits in 1979 could rise from £609m to £680m and Unilever appears fairly confident there will not be sharp rises in prices of commodities like soyabean, the group's biggest raw material.

In Nigeria, Unilever is expecting hiccups for 18 months. The combination of a depressed economy and severe import restrictions is likely to lead to a deterioration in the performance of the group's Nigerian interests in 1979. However, it is still confident about Nigeria over the longer term and in the meantime is expecting great things from its latest U.S. acquisition, National Starch.

Given that the U.S. accounts for roughly 40 per cent of the industrialised world market and Unilever earns only 7 per cent of its attributable profits there, it sorely needs to beef up this side of its business.

National Freight

The Tories, according to their manifesto, aim to sell shares in the National Freight Corporation to the general public if they win the election. But to judge by yesterday's annual report, they would do well to wait for a few years. Admittedly the business is much more attractive than might be suggested by its attributable profit of just £342,000, since it is entirely financed by debt at present. It would have to be recapitalised before getting a quote, and changing loans into equity would have a big and positive impact on the numbers.

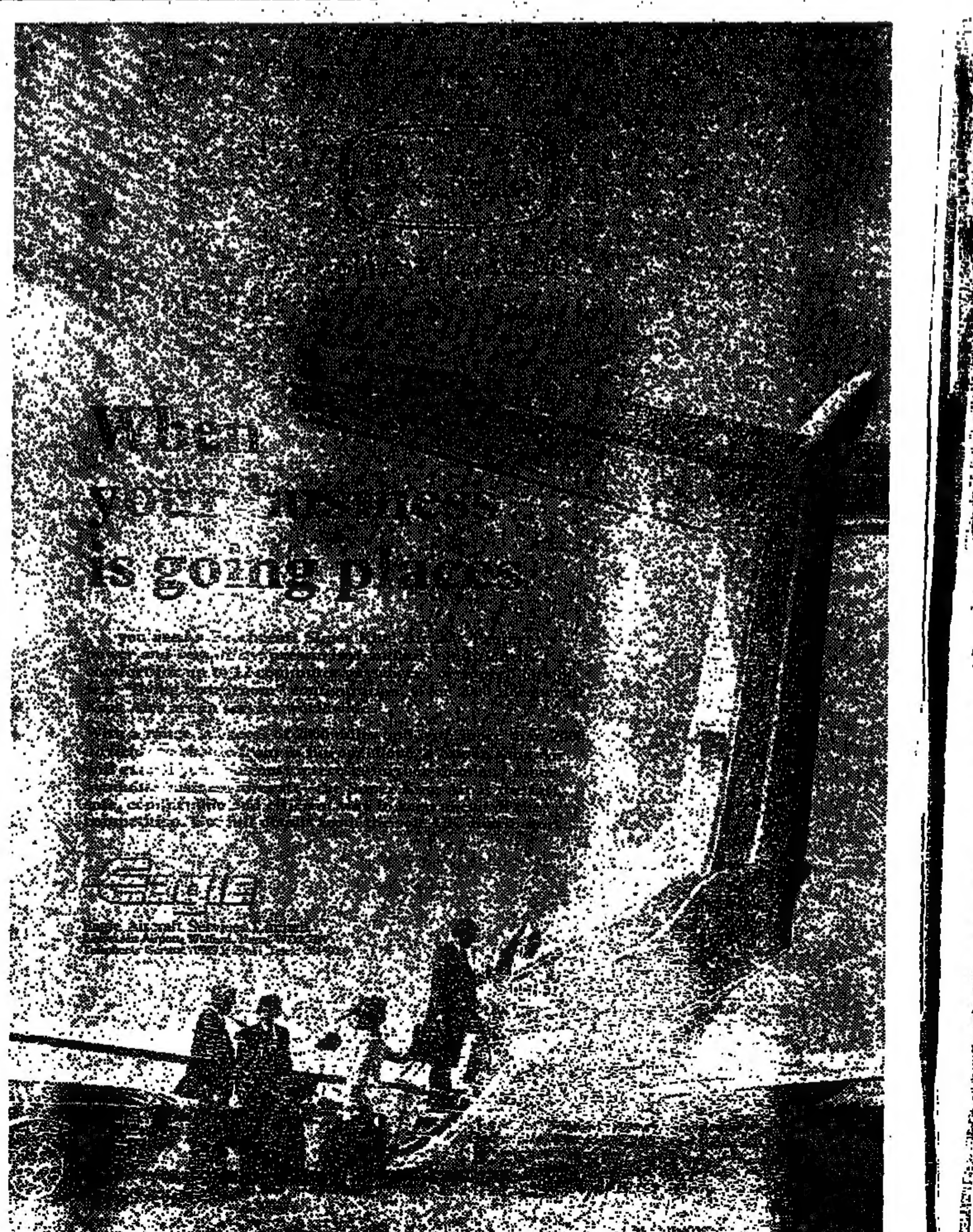
However the share price would have to reflect a decidedly spotty profits record, and would not take on trust the big profits increase which is now being forecast. It thinks that it can reduce that proportion, and thereby lift its return on sales from 5 to 8 per cent by 1980. That would imply a pre-interest return of about a third on capital employed of a bit over £100m—which would certainly find takers in the City.

If the Tories wanted quicker action, however, they could sell bits of NFC off to private sector companies. Such a move would be very unpopular with management, but there certainly are parts of business which could be sold tomorrow if such a course was considered acceptable.

Reed Paper

Reed International's slimmed down Canadian operation has seen its first quarter figures transformed by higher pulp and newsprint prices in North America, the competitive advantage of the weak Canadian dollar and the elimination of loss-making interests. Pre-tax profits of Reed Paper reached C$7.37m in the first quarter of 1979 compared with a loss of $5.91m in the same period last year; around $2.5m of the improvement is put down to the currency factor, while $4m of the 1978 losses came from businesses that no longer belong to Reed.

Two rather shapeless clouds are on the horizon at the moment. The first is the possibility that the Ontario Government, which has already disappointed Reed by refusing it financial help with the modernisation of the Dryden mill, may seize on the improvement in profits and force the company to speed up its anti-pollution spending. The second worry is that Canadian exporters may be the first to suffer if the U.S. economy slows. Against this Reed can argue that it has built up more solid contractual business in newsprint than in the past and is no longer chasing profitable but unreliable marginal sales. Any offers for Reed Paper will be given serious consideration, but the group is no longer in any hurry to dispose of its previously convalescent subsidiary.



Weather

U.K. TODAY

SUNNY intervals and scattered showers in most places. Max. 12C (54F).

London, Cent. S. England, Midlands, S.W. England, S. Wales, Ulster

Sunny intervals and scattered showers

S.E. and E. England

Mostly cloudy. Showers or longer periods of rain.

N. Wales, N.W. England, Cent. N. England, Scotland

Sunny intervals and scattered showers. Wintry over hills.

● **Outlook:** Mostly dry with sunny periods, but the south east will be colder with scattered showers.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	F	15	59	Locarno	S	16	61
Algiers	F	18	64	London	C	10	50
Amsdm.	R	8	46	Luxmbg.	C	7	45
Athens	S	18	64	Luxor	S	31	88
Bahrain	S	31	88	Madrid	C	13	55
Barclna.	F	16	61	Majorca	F	17	63
Beirut	F	19	66	Malaga	S	21	70
Belfast	F	10	50	Malta	S	21	70
Belgrd.	S	21	70	M'chstr.	C	6	43
Berlin	C	13	55	Melbne.	C	19	66
Biarritz	S	12	54	Milan	F	15	59
Bmghm.	C	8	46	Mntreal.	C	20	68
Blackpl.	S	10	50	Moscow	S	18	64
Bordx.	F	10	50	Munich	F	11	52
Boulgn.	R	7	45	Nairobi	S	23	73
Bristol	R	9	48	Naples	R	13	55
Brussels	C	7	45	Nwcstl.	R	6	43
Budpst.	R	12	54	N. York	C	19	67
B. Aires	C	26	[illegible]	Nice	S	17	63
Cairo	S	27	80	Nicosia	S	19	66
Cardiff	F	11	52	Oporto	F	14	57
Cas'b'ca	F	17	63	Oslo	C	5	41
Cape T.	C	26	68	Paris	C	9	48
Chicago	C	15	59	Perth	C	17	64
Cologne	F	9	48	Prague	F	15	59
Cpnhgn.	C	8	46	Reykjvk.	C	6	43
Dublin	C	9	48	Rhodes	S	19	66
Budpst.	R	12	54	Rio J'o	C	28	84
Ednbgh.	C	8	46	Rome	F	16	6-
Faro	C	18	64	Salzbrg.	C	11	52
Florence	C	16	61	Singapr.	C	27	80
Frankft.	R	10	50	Stckhm.	C	10	50
Funchal	C	17	63	Strasbg.	C	8	46
Geneva	C	10	50	Sydney	C	20	69
Gibrltr.	C	19	66	Tangier	F	16	61
Glasgow	C	9	48	Tehran	R	17	63
G'rnsey	F	10	50	Tel Aviv	S	20	68
Helsinki	C	6	43	Tenerife	S	18	64
H. Kong	S	28	82	Tokyo	C	22	72
Innsbrk.	C	9	48	Toronto	C	15	59
Invrnss.	C	9	48	Tunis	C	17	63
I.o.Man	S	8	46	Valencia	F	20	68
Istanbul	S	17	63	Venice	F	14	57
Jersey	F	10	50	Vienna	R	7	45
Jo'burg	C	23	73	Warsaw	R	16	61
L. Plms.	C	18	64	Zurich	C	8	46
Lisbon	C	15	57				

C—Cloudy. F—Fair. Fg—Fog. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow.

Continued from Page 1

Southall

During the day senior police officers were not saying how many police would be on duty, although Deputy Assistant Commissioner David Helm who was in charge of the police operation at Southall, said riot shields would be available if needed and that the Special Patrol Group would be standing by as a mobile reserve.

Mr. Peter Tucker, chairman of the Commission for Racial Equality, has written to the Home Office calling for urgent steps to "reassure the public and the ethnic minorities that the Government will not condone unprovoked attacks on any member of this community whether in Southall or anywhere else."

The TUC General Council called for a full judicial inquiry and for new laws to prevent a repeat of the Southall riots including strengthening the law on racial incitement.

Continued from Page 1

Callaghan attacks

trial matters between both sides of industry is far better than the law, provided each side acts responsibly and keeps its agreements," he said.

In his view it was wrong to brand trade unionists as extremists, as the vast majority of the 12m members of unions were reasonable, sensible, hard-working people, and they must be treated as such.

The issues highlighted at yesterday's news conferences were jobs and prices, with Mrs. Thatcher attacking Labour's record on price increases and Mr. Eric Varley, the Industry Secretary, condemning Tory plans to run down the National Enterprise Board.

Mr. Varley focused attention on the 300,000 workers whose jobs depended to varying degrees on money from the NEB. He said Labour intended to increase finance, whereas the Conservatives would phase out grants and restrict the Board's activities.

● The latest opinion polls showing a narrowing of the gap are borne out by the private polls conducted by Transport House and Conservative Central Office.

The view is growing that the Conservatives are particularly strong in the South, but that their support tails off sharply in the North and that they could lose three or four seats to Labour in Scotland.

But in the key area of the Midlands, where there is a disproportionate number of marginal seats, the news yesterday from a survey by Marplan for the Birmingham Evening Mail in three constituencies was good for the Tories.

It suggested an average pro-Tory swing of 9.5 per cent. This trend could produce as many as 12 Tory gains in the region.

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